

## The Effect of Perceived ROI on Perceived Value and Adoption Intention

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Article history:

Received April 13, 2026

Revised April 26, 2026

Accepted April 28, 2026

### Abstract

This study aims to examine the role of perceived return on investment (ROI) in shaping perceived value and its impact on adoption intention toward digital branding among small and medium-sized enterprises (SMEs). A quantitative approach with an explanatory research design was employed, involving 100 SME owners in the Special Region of Yogyakarta, Indonesia. Data were collected through structured questionnaires and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results indicate that perceived ROI has a positive and significant effect on perceived value with a t-statistic of 4.562 and a p-value of 0.000 (<0.05) and the path coefficient is 0.513, suggesting that SMEs evaluate digital branding based on the economic benefits gained relative to the costs incurred. Furthermore, perceived value has a positive and significant effect on adoption intention with a t-statistic of 8.781 and a p-value of 0.000 (<0.05) and the path coefficient is 0.625, indicating that perceived value is a determinant in technology adoption decisions. Theoretically, this study provides insights into the importance of value-based evaluation in the context of digital branding adoption among SMEs. Practically, the results suggest that improving SMEs' understanding of digital branding performance, particularly in terms of ROI, can enhance perceived value and encourage broader adoption of digital branding strategies.

### Keywords:

Perceived ROI; Perceived Value; Adoption Intention; Digital Branding; SMEs.

## 1. INTRODUCTION

In many developing countries, the SME sector serves as the backbone of the economy due to its capacity to absorb labor and stimulate community-level economic activities. In Indonesia, SMEs contribute approximately 60% to the national GDP for around 97% of total employment. This contribution indicates that the sustainability and competitiveness of SMEs are essential factors in maintaining economic stability and fostering sustainable economic growth (Farida et al., 2022).

At the regional level, the role of SMEs is also significantly evident in Yogyakarta. This region is known for its well-developed entrepreneurial ecosystem, with a large number of business actors operating across various sectors such as culinary, handicrafts, fashion, and creative industries. According to government data, the potential number of SMEs in Yogyakarta exceeds 300,000 business units (Kementerian Koordinator Bidang Perekonomian Republik Indonesia, 2022). This condition indicates that SMEs not only serve as the backbone of the regional economy but also possess significant potential to drive community-based economic growth.

The rapid development of technology in recent years has driven digital transformation in business activities, including within the SME sector. Digital technologies provide opportunities for business actors to enhance operational efficiency, expand market reach, and build closer relationships with consumers. Digitalization has also had a positive impact on the performance of SMEs (Amri et al., 2024). Social media provide significant opportunities for organizations, particularly in reducing marketing costs, enhancing brand

awareness, and driving increased sales (Dwivedi et al., 2021). Social media as a digital channel provides opportunities for SME actors to expand market reach, improve promotional cost efficiency, and strengthen interactions with customers in a faster and more flexible manner (Ainin et al., 2015). The rapid advancement of technology has shortened business life cycles, compelling organizations, particularly Micro, Small, and Medium Enterprises (SMEs), to become more adaptive in managing resources and competitive strategies (Bianco et al., 2022).

One form of utilizing digital technology in marketing activities is digital branding, which refers to efforts to build brand identity and enhance brand awareness through various digital platforms. Branding represents a strategic effort to ensure that a company can be recognized and gain acknowledgment within its industry without losing its distinctive identity or appearing generic (Clay & Jones, 2022). Digital branding is a strategic approach to strengthening a product's image through various web-based platforms, particularly search engines and social media (Das, 2021). This strategy goes beyond merely creating blogs or social media accounts; it involves building a consistent and strong brand presence across all digital channels used. With the vast number of internet users, consumer interaction with brands in online environments has become a significant phenomenon in modern marketing. Digital branding is regarded as a strategic instrument with high effectiveness and relatively low cost. Through its implementation, business actors can achieve several significant benefits, including expanded market reach, enhanced brand visibility, and improved customer engagement (Sharma et al., 2023). The core of branding success lies in its ability to build closeness with consumers, which in turn drives purchasing decisions. The emotional and rational connections established through branding not only increase purchase intention but also generate tangible outcomes in the form of financial returns for the company (ALBRECHT et al., 2023). With these characteristics, digital branding plays an important role in supporting business sustainability while strengthening competitiveness in a technology-driven economy.

Digital branding strategies enable companies to reach a broader audience, increase interaction with consumers, and build long-term relationships with customers. Previous studies have shown that digital branding can have a positive impact on various aspects of brand management, such as brand equity, brand loyalty, and brand sustainability (Dwivedi et al., 2021). Digital branding strategies have become increasingly important as they enable small businesses to compete with larger firms through the effective use of digital technologies. Branding represents a strategic effort for a company to be recognized and gain acknowledgment within its industry without losing its unique identity or appearing generic (Clay & Jones, 2022).

Several studies indicate that many SME actors have utilized social media as a promotional tool; however, its use remains limited and has not yet been strategically integrated into business management (Ainin et al., 2015). Recent studies also indicate that digital transformation among SMEs is often hindered by resource constraints and a lack of understanding on the part of entrepreneurs (Tajpour et al., 2023). This condition indicates that the decision to adopt digital technology is influenced not only by the availability of technology but also by entrepreneurs' perceptions of the value and benefits generated by such technology. The success of SMEs in facing market competition is strongly influenced by the entrepreneurial mindset, which helps business owners identify new opportunities, fosters motivation, and encourages innovation by transforming conventional thinking into more innovative systems (Ganbat, 2023).

In the technology adoption literature, one approach used to explain adoption decisions is the Value-Based Adoption Model (VAM). This model posits that an individual's or organization's intention to adopt a technology is influenced by the perceived value of that technology, which is formed through an evaluation of the benefits gained relative to the sacrifices incurred (Kim et al., 2007). In digital branding activities, one of the key benefits for business actors is Return on Investment (ROI), which reflects the extent to which digital branding activities generate economic returns for the business. Previous studies indicate that ROI is an important indicator in evaluating the effectiveness of digital branding strategies (Sharma et al., 2023). ROI reflects the extent to which investments made in digital branding activities can generate tangible benefits for the organization (Sharma et al., 2023). When digital branding activities are perceived as yielding favorable outcomes, this not only enhances perceived value but also encourages an increase in buying intention (Novitasari et al., 2022). When business actors perceive that the use of digital technology generates significant economic benefits, the perceived value of that technology increases. Perceived ROI in digital branding is calculated based on the gains or losses generated from the execution of the campaigns undertaken (Pc, 2021).

Nevertheless, several research gaps remain in the existing literature. Most studies on digital transformation in SMEs tend to focus on technological, organizational, or environmental factors in explaining digital technology adoption (Faiz et al., 2024), while the evaluation of the economic value of digital technologies has received relatively limited empirical attention. Second, research on digital branding generally emphasizes their impact on marketing or organizational performance (Dwivedi et al., 2021; Sharabati et al., 2024), yet there is still limited exploration of the underlying processes that drive SME actors' technology adoption decisions. In particular, further research is needed to examine whether there is an increase in adoption intention after SME actors perceive the benefits or value provided by the technology. Although the Value-Based Adoption Model (VAM) has been widely applied across various technology

adoption contexts, its application has predominantly focused on consumer behavior and general technology usage (Kim et al., 2007; Vidyanata, 2022). There is still limited research that explicitly positions perceived ROI as a specific representation of perceived benefits within the VAM, particularly in the context of SMEs, where resource constraints make economic considerations more dominant in decision-making.

Based on these research gaps, this study aims to examine the relationships among perceived ROI, perceived value, and adoption intention in the context of digital branding usage among SMEs. Specifically, this study seeks to analyze the effect of perceived ROI on perceived value and to test the influence of perceived value on adoption intention in the use of digital branding among SME actors in Yogyakarta.

This study is expected to provide contributions. Theoretically, it extends the application of the Value-Based Adoption Model in the context of digital branding adoption among SMEs and offers a more comprehensive understanding of the role of economic value evaluation in shaping digital technology adoption intentions. Practically, the findings are expected to provide insights for SME actors, government, and other stakeholders in designing strategies to enhance the utilization of digital branding as a means to strengthen business competitiveness.

This study proposes that perceived ROI serves as a key factor in shaping perceived value toward digital branding, which ultimately influences SME actors' intention to adopt the technology. Accordingly, this study examines the relationships among perceived ROI, perceived value, and adoption intention in the context of digital branding adoption by SMEs.

This paper is organized as follows. The methodology section outlines the research design, data collection procedures, and analytical approach. The results section presents the findings of the study, followed by the discussion, which interprets these findings and highlights their theoretical and practical implications. The final section concludes the study and offers directions for future research.

## 2. RESEARCH METHOD

This research uses a quantitative, explanatory design to investigate the causal relationships among the study variables. The quantitative approach was chosen because this study aims to test hypotheses and empirically measure relationships between variables through statistical analysis. The explanatory design is used to explain the relationships among Perceived Return on Investment (Perceived ROI), Perceived Value, and Adoption Intention in the context of digital branding usage among SMEs.

The population consists of all SME actors in the Special Region of Yogyakarta. The criteria for respondents in this study include SME actors who have been operating a business and use social media as one of their branding or marketing tools. These criteria are intended to ensure that respondents have relevant experience, specifically having engaged in digital branding activities and, therefore, having experienced the value derived from its use.

Data were collected using a questionnaire distributed both directly and through online media. The research instrument was designed in the form of closed-ended statements measured using a five-point Likert scale, ranging from strongly disagree to strongly agree. The questionnaire was used to measure respondents' perceptions of the variables studied, namely Perceived ROI, Perceived Value, and Adoption Intention.

The research procedure began with the development of the research instrument based on the indicators of the variables used in the study. The instrument was adapted from relevant previous studies. Subsequently, the questionnaire was distributed to SME actors who met the criteria as research respondents. The collected data were then examined to ensure completeness and consistency of responses. Data that met the eligibility criteria were further processed and prepared for the data analysis stage.

Data analysis in this study employed Structural Equation Modeling based on Partial Least Squares (PLS-SEM). This method was chosen because it is capable of analyzing relationships among latent variables simultaneously and is suitable for studies with relatively limited sample sizes. Referring to the "10-times rule," the minimum sample size is determined as ten times the maximum number of structural paths directed at a particular construct in the model (Lim, 2025). In this study, the highest number of paths pointing to a single construct is one, therefore, the minimum required sample size is 10 respondents. A sample size of 100 respondents is considered adequate for PLS-SEM analysis in models with relatively simple complexity, in order to achieve sufficient statistical power (Hair et al., 2019). Therefore, the sample size of 100 respondents used in this study is deemed to meet the adequacy criteria for the analysis conducted.

Using SmartPLS, the analysis was performed in two stages: measurement model evaluation and structural model evaluation. In the measurement model evaluation stage, tests were conducted to assess the validity and reliability of the research instrument. Convergent validity was measured using the loading factor of each indicator on its respective construct. In addition, construct reliability was evaluated using Composite Reliability to ensure the internal consistency of each latent variable. Indicators were considered valid if they had loading factor values above 0.70, while constructs were deemed reliable if the Composite Reliability values exceeded 0.60.

The next stage involved evaluating the structural model to test the relationships among variables in the research model. Hypothesis testing was conducted using the bootstrapping procedure to obtain path

coefficients, t-statistics, and p-values. The results were used to determine the significance of relationships among variables. A hypothesis was considered significant if the t-statistic exceeded 1.96 and the p-value was less than 0.05 at a 5% significance level.

This study also adhered to research ethics principles. Before completing the questionnaire, respondents were provided with information regarding the purpose of the study and their rights as participants. Participation in this study was voluntary and carried out after respondents provided informed consent. Additionally, respondents' identities were kept confidential, and the data collected were used solely for academic purposes. All information was treated anonymously so that individual respondents could not be identified.

Nevertheless, this study has several methodological limitations. The use of purposive sampling may limit the generalizability of the findings to the broader SME population. Furthermore, the data collected are self-reported, which may introduce perception bias among respondents. To mitigate these limitations, this study employed measurement instruments adapted from established indicators. The measurement instruments for each variable such as Perceived ROI, Perceived Value, and Adoption Intention were developed based on scales used in prior studies (Sharma et al., 2023). Subsequently, the questionnaire items were adapted to fit the context of digital branding usage among SMEs. Before data collection, the questionnaire was reviewed to ensure that the items were clear, contextually appropriate, and easily understood by respondents. This process was conducted to ensure that the instrument accurately measures the constructs under investigation.

To clarify the constructs used in this study, each variable is operationalized based on its definition and corresponding indicators. Perceived ROI refers to SMEs' perceptions of the level of returns or outcomes obtained from the use of digital branding relative to the costs incurred. The indicators of this variable include the belief that digital branding yields better outcomes, provides financial benefits, increases sales, and contributes positively to business revenue. Perceived value is defined as SMEs' overall evaluation of the net benefits of digital branding after considering the benefits received and the costs or risks incurred. This variable is measured through the belief that digital branding provides added value, is beneficial to the business, and reflects an appropriate balance between the value obtained and the costs incurred. Adoption intention refers to SMEs' willingness or plans to implement digital branding in their business activities. This variable is measured through indicators such as plans for usage, preference for utilizing social media, intention to use digital branding in the future, and interest in collaborating with digital branding service providers.

### 3. RESULTS AND DISCUSSION

#### 3.1. Results

This study involved 100 SME actors in the Special Region of Yogyakarta as respondents. Respondent characteristics were analyzed based on gender, age, and educational level to provide an overview of the profile of business actors as the subjects of the study.

Table 1. Respondent Demographics

No.	Characteristics	Respondent	Total	
1	Gender:	Man	43	43,00 %
		Women	57	57,00 %
	Total:		100	100,00 %
2	Age:	17 - 24 years old	40	40,00 %
		25 - 34 years old	37	37,00 %
		35 - 44 years old	14	14,00 %
		≥ 45 years old	9	9,00 %
	Total:		100	100,00 %
3	Educational Background:	< High School	52	52,00 %
		Undergraduate degree	37	37,00 %
		≥ Postgraduate	11	11,00 %
	Total:		100	100,00 %

Based on gender, the respondents consisted of 43% male and 57% female. This composition indicates that the participation of SME actors in the study is relatively balanced between males and females. In terms of age groups, the majority of respondents were in the 17–24 age range, accounting for 40%, followed by those aged 25–34 and other age groups with smaller proportions. This suggests that most SME actors are in the productive age group, which tends to be more adaptive to the use of digital technology in business activities. Based on educational level, the majority of respondents had completed high school (52%), while the rest were undergraduate degree and postgraduate. This condition indicates that SME actors in Yogyakarta predominantly have a secondary education background, yet remain actively engaged in entrepreneurial activities.

Subsequently, the testing of the research instrument was conducted to ensure that the indicators used in the study possess adequate levels of validity and reliability prior to structural model analysis. Based on Table 2, the results of construct validity testing using loading factor analysis indicate that all indicators of the research variables have values above 0.50, in accordance with the established criteria (Haryono, 2016), therefore, they can be considered valid measures of the latent constructs. The highest loading factor is found in indicator PRO5 (0.880), while the lowest is in indicator AI4 (0.694), which still falls within the acceptable threshold in PLS-SEM analysis. The Perceived ROI variable also demonstrates valid indicators, with PRO5 (0.880) emerging as the most dominant indicator reflecting the perceived benefits of digital branding. The Perceived Value variable exhibits consistently valid indicators, with loadings ranging from 0.761 to 0.822, indicating that digital branding is perceived to provide benefits commensurate with the sacrifices incurred. Meanwhile, for the Adoption Intention variable, all indicators are valid with loadings ranging from 0.694 to 0.834, although AI4 shows the lowest contribution among the indicators.

Table 2. Loading Factor

No.	Variabel	Indicator	Value
1	Perceived Return on Investment	PRO1	0.708
		PRO2	0.827
		PRO3	0.729
		PRO4	0.803
		PRO5	0.880
2	Perceived Value	PVA1	0.822
		PVA2	0.786
		PVA3	0.761
3	Adoption Intention	AI1	0.786
		AI2	0.834
		AI3	0.723
		AI4	0.694

Discriminant validity was assessed by examining whether the correlation between each indicator and its corresponding construct is higher than its correlation with other constructs; thus, an item is considered to have discriminant validity (Budhiasa, 2016; Haryono, 2016). Overall, the results of the discriminant validity test indicate that all indicators meet the required criteria. This means that each measurement item reflects its intended construct more strongly than other constructs, and therefore can be considered discriminantly valid.

Table 3. Cross Loading

	AI	PRO	PVA
AI1	0.786	0.517	0.421
AI2	0.834	0.601	0.545
AI3	0.723	0.557	0.440
AI4	0.694	0.427	0.479
PRO1	0.494	0.708	0.379
PRO2	0.494	0.827	0.528
PRO3	0.475	0.729	0.480
PRO4	0.569	0.803	0.584
PRO5	0.683	0.880	0.635
PVA1	0.448	0.470	0.822
PVA2	0.500	0.693	0.786
PVA3	0.527	0.398	0.761

Overall, these results confirm that all instruments used in this study are appropriate to be retained, as they meet the requirements of construct validity. However, there is one indicator with a relatively lower loading value, namely AI4. This variation in indicator strength also provides insight into certain aspects of digital branding that are more dominant in shaping respondents' perceptions, such as perceived ROI.

Construct reliability was measured using Composite Reliability (Jogiyanto & Abdillah, 2009). A construct is considered reliable if it has a value above 0.60. As shown in Table 4, all variables have Composite Reliability values above 0.70, namely Perceived ROI (0.893), Perceived Value (0.833), and Adoption Intention (0.846). These values indicate that each construct has good internal consistency; therefore, the research instrument is considered reliable and appropriate for further analysis.

Table 4. Composite Reliability

No.	Variabel	Value
1	Perceived Return on Investment	0,893
2	Perceived Value	0.833
3	Adoption Intention	0.846

The structural model was assessed using the Partial Least Squares–Structural Equation approach with a bootstrapping procedure to examine the relationships among the variables in the research model.

Table 5. Hypothesis Testing of Relationships Among Variables

Hypothesis	Relation	Original sample	Sample Mean	STDEV	T-Statistic	P-Value	Result
H1	PRO -> PVA	0.513	0.501	0.113	4.562	0.000	Signifikan
H2	PVA -> AI	0.625	0.631	0.071	8.781	0.000	Signifikan

Based on the analysis results, Hypothesis 1 (H1), which states that Perceived ROI influences Perceived Value, is supported by the research data. The path coefficient is 0.513, with a t-statistic of 4.562 and a p-value of 0.000 (<0.05). These results indicate that Perceived ROI has a positive and significant effect on Perceived Value.

Furthermore, Hypothesis 2 (H2), which states that Perceived Value influences Adoption Intention, is also supported by the research data. The path coefficient is 0.625, with a t-statistic of 8.781 and a p-value of 0.000 (<0.05). This coefficient indicates that Perceived Value has a positive and significant effect on SME actors' intention to adopt digital branding. Overall, the structural model results suggest that SMEs' perceptions of the returns generated from digital branding play a key role in shaping perceived value, which in turn affects their intention to adopt digital branding strategies in their business activities.

### 3.2. Discussion

#### 3.2.1. The Influence of Perceived ROI on Perceived Value

The results indicate that Perceived ROI has a positive and significant effect on Perceived Value. This implies that the higher an individual's perception of the benefits obtained relative to the costs incurred, the higher the perceived value of a product or service. The process of technology evaluation is not merely functional but is influenced by utilitarian considerations oriented toward outcomes. These findings suggest that SME actors tend to perceive digital branding as valuable when they experience tangible economic benefits, such as increased sales, market expansion, or promotional cost efficiency. In other words, value is not formed abstractly but through a practical calculation of benefits that can be directly experienced in business operations.

From a theoretical perspective, these findings reinforce the Value-Based Adoption Model (VAM), which posits that perceived value is formed through an evaluation of the benefits gained relative to the sacrifices incurred in using a technology (Kim et al., 2007). In this model, perceived value is formed from the balance between perceived benefits and perceived sacrifices; therefore, when the perceived benefits outweigh the costs or risks, the perceived value will increase accordingly (Harjati et al., 2025).

In this study, perceived ROI empirically functions as a representation of perceived benefit; therefore, when SME actors perceive that investments in digital branding yield returns equal to or greater than the costs incurred, the perceived value of the technology increases significantly. ROI thus becomes an important indicator in evaluating the benefits of digital technology, as business actors typically face resource constraints and tend to consider financial returns before adopting an innovation. These findings are also consistent with previous studies, which suggest that although ROI calculations in digital branding are often complex for small businesses, perceptions of financial benefits remain a key factor influencing the evaluation of digital technology value (Sharma et al., 2023). SME actors do not merely consider whether a technology is "useful," but whether it is "economically worthwhile." This explains why perceived ROI has a relatively strong influence on perceived value. While technology adoption has traditionally been explained by factors such as ease of use or environmental pressures, this study shows that economic evaluation is increasingly becoming the central consideration. Thus, adoption decisions are no longer driven solely by technological factors but also by the economic rationality of business actors.

On the other hand, these findings also suggest that perceived ROI is subjective and does not always reflect accurate financial calculations. Many SME actors do not formally measure ROI, yet they still develop perceptions of ROI based on experience, intuition, and observable outcomes e.g., increases in followers or engagement.

In digital business, economic benefits such as improved promotional efficiency, broader market reach, and increased interaction with consumers are key factors shaping business actors' perceptions of the value of technology. Research on technology adoption in business organizations also indicates that perceptions of the benefits of digital technology are a crucial factor influencing value evaluation before organizations decide to adopt it (Nguyen & Nguyen, 2025).

In addition, studies on digital technology adoption among SMEs emphasize that economic and organizational factors play an important role in the adoption process. Factors such as management support, digital culture, and resource availability can influence how business actors evaluate the benefits of digital technology for their businesses (Faiz et al., 2024).

This study contributes by clarifying the role of perceived ROI as an important dimension in value formation within the Value-Based Adoption Model (VAM), particularly in the context of digital branding, which remains relatively underexplored in the literature. This study also extends the understanding that economic benefits function not only as outcomes but also as a foundational basis shaping perceived value.

From a practical perspective, these findings imply that increasing the adoption of digital branding among SMEs cannot rely solely on the provision of technology or technical training. Rather, business actors need to be provided with a clear understanding of how digital branding activities can generate measurable economic value. Therefore, intervention strategies such as ROI measurement education, the provision of digital performance dashboards, and the use of success case studies become essential to enhance perceived ROI, which in turn will strengthen perceived value.

Thus, the findings of this study confirm that perceptions of return on investment play a crucial role in shaping perceived value toward digital branding, particularly for SMEs that tend to face resource constraints and make adoption decisions based on rational economic considerations.

### 3.2.2. The Influence of Perceived Value on Adoption Intention

The results also indicate that Perceived Value has a positive and significant effect on Adoption Intention. This finding confirms that technology adoption decisions among SMEs do not occur directly because of the mere availability of technology, but rather through a process of perceived value evaluation. In this context, SME actors are more likely to adopt digital branding when they perceive that the benefits whether economic, functional, or strategic outweigh the costs incurred. Cost serves as an important indicator in assessing value (Bursan & Berto, 2023) This indicates that the higher the perceived value of digital branding among SME actors, the stronger their intention to adopt and utilize the technology in their business activities.

This finding supports the theoretical framework of the VAM, which positions perceived value as the primary factor determining technology adoption decisions. When business actors perceive that the benefits derived from digital technology outweigh the costs or risks involved, their likelihood of adopting the technology increases. In the context of digital technology, perceived value reflects a comprehensive evaluation of the functional, economic, and psychological benefits obtained from its use. When users perceive that the technology provides significant benefits to their activities, their intention to adopt the technology becomes stronger (Nguyen & Nguyen, 2025).

Perceived value is an important factor in explaining behavior related to internet or technology adoption (Vidyanata, 2022). These results indicate that digital branding is more likely to be adopted when business actors perceive tangible value in their business activities. This value is not limited to increased sales but also includes other benefits such as enhanced product visibility, easier customer reach, and improved interaction with consumers through digital platforms. Furthermore, in the context of SME digital transformation, the adoption of digital branding has been shown to improve SME performance through increased visibility and customer engagement (Sharabati et al., 2024). Therefore, when business actors perceive the strategic value of digital technology, they are more motivated to integrate it into their business activities (Hang & Kim, 2025). In the context of SMEs, digital branding through social media or digital platforms provides opportunities to enhance product visibility, expand market reach, and strengthen customer relationships. Therefore, when business actors perceive high value from the use of digital branding, they are more motivated to integrate it into their marketing strategies.

Furthermore, these findings indicate that perceived value functions as a linking construct that bridges the evaluation of benefits, such as perceived ROI, and behavioral decisions (adoption intention). This means that although SME actors may recognize the potential benefits of digital branding, their decision to actually adopt the technology largely depends on the extent to which they internalize those benefits as valuable for their business.

These findings also reinforce previous studies suggesting that perceived value plays a crucial role as a mechanism linking technological benefits to adoption decisions (Sharma et al., 2023). In other words, although technology may offer various features and potential benefits, the decision to adopt it is largely influenced by the extent to which users perceive the technology as valuable for their needs.

From a theoretical perspective, this study contributes by reinforcing the role of perceived value as a central variable in explaining technology adoption behavior among SMEs, particularly in the context of digital branding, which remains relatively underexplored in empirical studies. This study also extends the application of the Value-Based Adoption Model (VAM) by demonstrating that perceived value is not only relevant in consumer contexts but also in the context of business actors as decision-makers.

From a practical perspective, these findings imply that efforts to enhance the adoption of digital branding among SMEs should focus on increasing the perceived value among business actors. This can be achieved through providing training that is not only technical but also demonstrates the tangible benefits of

digital branding, presenting case studies of SMEs that have successfully leveraged digital branding, developing simple tools or dashboards to help SME actors understand their digital performance, and offering guidance in optimizing digital strategies so that the perceived benefits become more concrete.

Thus, strategies to increase technology adoption should not rely solely on improving access to or the ability to use technology, but must also enhance the perceived value among business actors. The higher the perceived value, the greater the likelihood that the technology will be adopted sustainably. Overall, the findings of this study indicate that perceived ROI plays a crucial role in shaping perceived value, which in turn influences SME actors' intention to adopt digital branding.

#### 4. CONCLUSION

This study investigates the effect of Perceived Return on Investment on Perceived Value and its effect on Adoption Intention in the use of digital branding among SME actors in the Special Region of Yogyakarta. Based on the results of the analysis using the Partial Least Squares Structural Equation Modeling approach, all hypotheses in this study were found to be significant.

The findings indicate that Perceived ROI has a positive and significant effect on Perceived Value. This suggests that SME actors' perceptions of the economic benefits of digital brandingsuch as increased sales, promotional cost efficiency, and expanded market reachplay a crucial role in shaping the perceived value of the technology. The higher the perceived return on investment, the higher the perceived value among business actors.

Furthermore, Perceived Value was found to have a positive and significant effect on Adoption Intention. This indicates that perceived value serves as a primary driver of SME actors' intention to adopt digital branding. When business actors perceive that the benefits of a technology outweigh its associated costs and risks, their likelihood of adopting the technology increases.

Overall, this study confirms that Perceived Value acts as a key mechanism that linking construct the relationship between the evaluation of economic benefits (Perceived ROI) and technology adoption decisions (Adoption Intention). Thus, the adoption of digital branding among SMEs is influenced not only by technological factors but also by how business actors evaluate the value of the technology.

This study contributes by extending the application of the VAM in the context of digital branding among SMEs, particularly by emphasizing the role of Perceived ROI as an important determinant in value formation. From a practical perspective, the findings imply that efforts to increase digital branding adoption among SMEs should focus on enhancing business actors' understanding of the economic benefits generated, such as through training, mentoring, and the provision of simple and practical digital performance measurement tools.

Nevertheless, this study has several limitations, including the use of purposive sampling, which may limit the generalizability of the findings, and the use of perception-based data, which may introduce subjective bias. Therefore, future research is recommended to consider additional variables such as digital literacy, technological experience, or environmental factors as moderating variables, as well as to employ longitudinal approaches to gain a more comprehensive understanding of the dynamics of technology adoption among SMEs.

#### ACKNOWLEDGEMENTS

The authors gratefully acknowledge the support and contributions of all parties involved in this study. We would like to thank the SMEs in the Special Region of Yogyakarta for their willingness to participate and share valuable information. We also appreciate the support provided by the Directorate of Research and Community Service at Universitas Negeri Yogyakarta throughout the research process. Our thanks are also extended to everyone who contributed their time, resources, and assistance during the completion of this study and the preparation of this manuscript.

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