

Innovation-Decision Processes and SME Digital Communication Strategies in Short-Video Environments

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ABSTRACT

The rapid expansion of short-form video platforms has transformed how small and medium enterprises (SMEs) develop and implement digital communication strategies. Beyond functioning as marketing channels, these platforms create interactive communication environments where entrepreneurs experiment with content formats, engage audiences, and refine digital storytelling practices. Despite their growing importance, existing studies have primarily emphasized technological affordances and consumer engagement, while paying limited attention to the strategic communication processes through which SMEs translate platform opportunities into communication strategies. Addressing this gap, this study examines how short-video platform communication environments influence SME digital communication strategy innovation through the innovation-decision process. Drawing on Diffusion of Innovation Theory, the innovation-decision process is conceptualized as a mechanism that explains how entrepreneurs evaluate, adopt, and implement digital communication practices. Survey data were collected from 392 SMEs in Bandung Regency, Indonesia, and analysed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings demonstrate that short-video platform communication environments significantly influence both the innovation-decision process and digital communication strategy innovation. Moreover, the innovation-decision process partially mediates the relationship between platform communication environments and communication strategy innovation. These findings extend communication research by positioning short-video platforms as strategic communication environments rather than merely technological tools, demonstrating how communication experimentation, entrepreneurial decision-making, and digital storytelling collectively enable SMEs to develop adaptive and innovative digital communication strategies.

Keywords: *Digital communication strategy, digital storytelling, innovation-decision process, short-video platforms, SMEs.*

INTRODUCTION

Contemporary media ecosystems have fundamentally changed how organizations design, implement, and continuously refine their communication strategies. The emergence of short-form video media has introduced new communication spaces characterized by visual storytelling, algorithmic content distribution, and interactive audience engagement (Appel et al., 2020; Qi & Li, 2021; Zhang et al., 2023). Within these environments, communication is no longer limited to one-way promotional messages but increasingly involves dynamic forms of content creation, audience participation, and real-time interaction. Businesses therefore need to continually adjust their communication strategies to remain visible and relevant across rapidly evolving digital platforms.

For small and medium enterprises (SMEs), digital communication has become an essential strategic resource for sustaining competitiveness in digital markets. Compared with large corporations, SMEs often face limitations in marketing budgets, brand visibility, and

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access to conventional advertising channels (Horst et al., 2020; Turan & Kara, 2018). Consequently, many SMEs rely on digital platforms to promote products, build brand identity, and establish direct communication with consumers. Earlier research has consistently shown that digital platforms allow SMEs to experiment with innovative marketing communication practices while requiring relatively limited resources (De Oliveira et al., 2020; Park et al., 2017). Among these digital channels, short-form video has emerged as one of the most influential communication media because it integrates audiovisual storytelling, entertainment elements, and algorithm-driven content distribution that can amplify audience reach and engagement (Xiao et al., 2019; Yuan et al., 2022).

Despite the growing importance of short-video media in digital communication, existing research has largely focused on technological characteristics, platform affordances, and their influence on user behaviour or consumer engagement. Previous studies have examined how algorithmic recommendation systems, immersive experiences, and entertainment features influence platform adoption and audience responses (Liang & Yoon, 2022; Wang, 2020). Other research has analysed the effectiveness of short-video marketing content in shaping consumer engagement and purchasing behaviour (Ge et al., 2021; Xiao et al., 2019; Yuan et al., 2022). While these studies provide valuable insights into the technological and marketing potential of short-video media, they primarily emphasize technology adoption and consumer outcomes rather than the strategic communication practices developed by business actors.

From a communication strategy perspective, digital platforms should not only be understood as technological tools but also as environments where organizations design, test, and refine communication strategies. In practice, SMEs actively experiment with various communication approaches to determine how digital platforms can support their business objectives. Through processes of communication experimentation and content strategy exploration, entrepreneurs often develop creative forms of digital storytelling, such as adapting viral content trends, integrating music and audiovisual elements, conducting live-stream interactions, and collaborating with influencers (Ayala, 2016; Z. Wang, 2022). These practices illustrate how entrepreneurs interpret digital platform environments and translate them into strategic communication activities. Recent studies have also suggested that short-video media can stimulate communication innovation among SMEs by enabling new forms of audience engagement and content experimentation (Appel et al., 2020; Munsch, 2021; Rozaq et al., 2025).

To better understand how these communication strategies emerge, diffusion of innovation theory provides a useful analytical perspective. According to Rogers (2003), innovation adoption occurs through a sequence of stages including knowledge, persuasion, decision, implementation, and confirmation. These stages form the innovation-decision process through which individuals or organizations evaluate and integrate new technologies into their practices. In digital communication contexts, this process helps explain how entrepreneurs interpret platform environments and gradually develop communication strategies that align with their organizational goals (Sahin, 2006).

Building on this perspective, this study investigates how short-video platform communication environments influence the development of SME digital communication strategies through the innovation-decision process. Using survey data collected from 392 SMEs in Bandung Regency, Indonesia, this research analyses the relationships between platform communication environments, entrepreneurial decision-making processes, and digital communication strategy development using Partial Least Squares Structural Equation

Modeling (PLS-SEM). Unlike prior studies that primarily focus on technological affordances and consumer engagement outcomes, this study positions short-video platforms as communication environments that shape SME digital communication strategy formation through the innovation-decision process.

LITERATURE REVIEW

Communication Environment and Innovation-Decision Process

Short-video platforms represent emerging digital communication environments that enable organizations to create and distribute audiovisual content in highly interactive media ecosystems. Such communication spaces combine algorithm-driven distribution, audiovisual storytelling, and real-time interaction (Qi & Li, 2021; Zhang et al., 2023). Within these environments, communication is increasingly shaped by dynamic content flows and audience participation, allowing organizations to experiment with different communication approaches. From a strategic communication perspective, digital platforms function not only as technological infrastructures but also as communication environments where organizations design and refine their communication strategies (Appel et al., 2020; Leonardi & Vaast, 2017). In such environments, businesses continuously observe audience responses, adapt content formats, and explore new ways to communicate with their target audiences. For SMEs, these environments provide opportunities to engage in communication experimentation and learn how digital media features can support their communication objectives.

Exposure to digital communication environments may stimulate the innovation-decision process among entrepreneurs. From the perspective of diffusion of innovation theory, innovation adoption occurs through stages of knowledge, persuasion, decision, implementation, and confirmation (Rogers, 2003). These stages represent the cognitive and behavioural processes through which individuals interpret new technologies and evaluate their potential usefulness. When SMEs interact with short-video platform environments, they are more likely to explore platform features, assess their communication potential, and develop attitudes toward their adoption for business communication. Previous research has also shown that digital media environments can influence users' perceptions and decision-making processes related to technology adoption and communication practices (Liang & Yoon, 2022; Wang, 2020). In the context of SMEs, the communication environment of short-video platforms may therefore stimulate the innovation-decision process by encouraging entrepreneurs to learn about digital media features and evaluate their relevance for communication strategies.

H1: Short-video platform communication environments positively influence the innovation-decision process of SMEs.

Communication Environment and Digital Communication Strategy Innovation

Digital communication environments also provide opportunities for organizations to develop innovative communication strategies. Short-video platforms enable SMEs to produce creative audiovisual content, integrate entertainment elements into communication messages, and interact directly with audiences through interactive media features (Chen et al., 2024; Rozaq & Nugrahani, 2023). Collectively, these features create an environment in which businesses can explore various forms of digital storytelling and audience engagement.

Research on digital marketing and social media communication suggests that digital platforms can stimulate innovation in marketing communication practices by providing new channels for audience interaction and content creation (Appel et al., 2020; Xiao et al., 2019). In short-video media environments, entrepreneurs often experiment with various communication approaches such as adapting viral trends (Raczynski, 2018), incorporating music-based storytelling (Ge et al., 2021), conducting live-stream interactions (Pan & Xu, 2021), and collaborating with influencers (Yuan et al., 2022). These practices illustrate how SMEs adapt platform environments to develop strategic communication approaches that can enhance audience engagement and brand visibility. Because short-video platforms provide flexible and interactive communication environments, they may directly encourage SMEs to develop innovative communication strategies. By enabling businesses to experiment with creative content formats and interactive communication practices, these environments facilitate the development of digital communication strategy innovation.

H2: Short-video platform communication environments positively influence SME digital communication strategy innovation.

Innovation-Decision Process and Digital Communication Strategy Innovation

While digital communication environments provide technological opportunities, the development of communication strategies does not occur automatically. Instead, entrepreneurs must interpret the potential of digital platforms and determine how these technologies can support their communication objectives. This decision-making process is captured in the concept of the innovation-decision process within diffusion of innovation theory (Rogers, 2003). The innovation-decision process explains how individuals or organizations evaluate innovations and decide whether to adopt them in their activities. Through stages of knowledge acquisition, evaluation, and implementation, entrepreneurs determine how digital technologies can be integrated into communication strategies. In SME contexts, this process often involves experimentation, observation of digital trends, and iterative learning from audience responses.

Studies on digital entrepreneurship have highlighted that SMEs frequently develop communication strategies through trial-and-error processes and experiential learning rather than formal strategic planning (De Oliveira et al., 2020). As entrepreneurs interact with digital media platforms, they gradually refine communication approaches that align with audience expectations and platform dynamics. Consequently, the innovation-decision process may play an important role in shaping the development of digital communication strategies among SMEs.

H3: The innovation-decision process positively influences SME digital communication strategy innovation.

The Mediating Role of the Innovation-Decision Process

Although short-video platform environments provide communication opportunities, communication strategy innovation is not solely determined by technological environments. Entrepreneurs must interpret these environments, evaluate their relevance, and decide how they can be integrated into their communication practices. Therefore, the development of communication strategies often emerges through a decision-making process that translates digital platform opportunities into practical communication actions.

Diffusion of innovation theory suggests that innovation outcomes are shaped by the processes through which individuals adopt and implement new technologies (Rogers, 2003). In this sense, the innovation-decision process may function as an intermediary mechanism linking digital communication environments with communication strategy innovation. Short-video platform environments may stimulate entrepreneurs to explore communication possibilities, but the extent to which these opportunities result in communication strategy innovation depends on how entrepreneurs evaluate and implement them through their decision-making processes. Therefore, the innovation-decision process may mediate the relationship between short-video platform communication environments and digital communication strategy innovation.

H4: The innovation-decision process mediates the relationship between short-video platform communication environments and SME digital communication strategy innovation.

Conceptual Framework

Based on the theoretical arguments presented above, this study proposes a conceptual framework that explains how small and medium enterprises (SMEs) develop digital communication strategies within short-video platform environments. In this framework, short-video platforms are conceptualized as communication environments that provide opportunities for entrepreneurs to experiment with various communication approaches. These environments enable SMEs to explore different content formats, observe audience responses, and develop digital storytelling practices that support their communication objectives.

However, the transformation of these communication environments into strategic communication practices does not occur automatically. Instead, entrepreneurs must interpret and evaluate the potential of digital platforms through a decision-making process. Drawing on diffusion of innovation theory, the innovation-decision process represents a mechanism through which SMEs acquire knowledge about digital platforms, evaluate their usefulness, and decide how these platforms can be integrated into their communication strategies. Through stages of knowledge, persuasion, decision, implementation, and confirmation, entrepreneurs gradually translate digital platform opportunities into practical communication strategies.

In this study, the communication environment of short-video platforms is expected to stimulate both the innovation-decision process and the development of digital communication strategies among SMEs. At the same time, the innovation-decision process is proposed to function as an intermediary mechanism that links platform communication environments with communication strategy innovation. In other words, digital communication strategies emerge when entrepreneurs interpret platform environments and transform them into concrete communication practices through their decision-making processes. Based on these theoretical relationships, this study proposes a research model in which the short-video platform communication environment influences SME digital communication strategy innovation both directly and indirectly through the innovation-decision process. The conceptual framework of this research is illustrated in Figure 1.

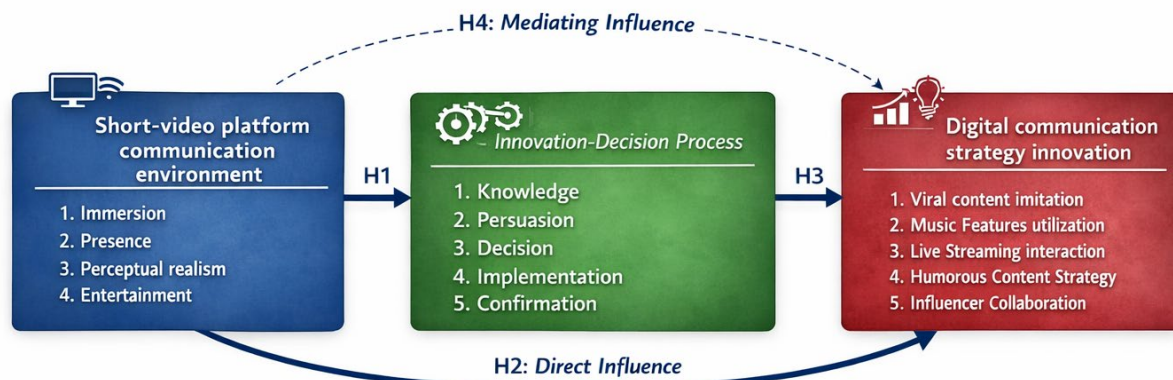


Figure 1: The conceptual framework

METHODOLOGY

A quantitative research design was adopted to examine how short-video platform communication environments influence the development of digital communication strategies among small and medium enterprises (SMEs), with the innovation-decision process acting as a mediating mechanism. Quantitative methods are appropriate for testing theoretical relationships between constructs and evaluating structural models using statistical analysis (Creswell & Creswell, 2017). In this study, the short-video platform communication environment is conceptualized as the independent variable, SME digital communication strategy innovation as the dependent variable, and the innovation-decision process as the mediating variable linking platform environments with communication strategy development.

The analysis focuses on SMEs that actively utilize short-video platforms as part of their digital communication activities. A purposive sampling technique was applied to ensure that respondents met criteria relevant to the research objectives. First, the SMEs had been operating for at least one year, indicating that the businesses had passed the initial establishment stage and had begun developing digital communication practices. Second, the SMEs actively used short-video platforms such as TikTok or Instagram Reels as communication tools for marketing or customer interaction. Third, the respondents were individuals responsible for managing the enterprise's digital communication activities, such as business owners or social media administrators. Data were collected from SMEs located in Bandung Regency, West Java, Indonesia, a region characterized by a dynamic SME ecosystem and increasing adoption of digital media platforms (Anastasya, 2023; Tambunan, 2019). Questionnaires were distributed both online and offline between December 2022 and May 2023, resulting in 392 valid responses.

All constructs were measured using reflective indicators and evaluated using a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The short-video platform communication environment construct reflects SMEs' experiential perceptions of platform communication environments, including immersion, presence, perceptual realism, and entertainment value. The innovation-decision process was measured using indicators derived from diffusion of innovation theory, including knowledge, persuasion, decision, implementation, and confirmation stages (Rogers, 2003). Meanwhile, digital communication strategy innovation was operationalized through communication practices commonly adopted by SMEs on short-video platforms, such as viral content imitation, the use of music-

based storytelling, live-streaming interactions, humorous content strategies, and influencer collaboration.

The data were analysed using Structural Equation Modelling with the Partial Least Squares approach (PLS-SEM) using SmartPLS version 4. This method is widely used in communication and business research because it is suitable for predictive models and complex relationships among latent variables (Hair et al., 2019, 2021). The analysis was conducted in two stages. First, the measurement model was evaluated to assess convergent validity, discriminant validity, and construct reliability using outer loadings, Average Variance Extracted (AVE), Cronbach's alpha, and composite reliability. Second, the structural model was evaluated using bootstrapping procedures to examine the significance of the hypothesized relationships, while the coefficient of determination (R^2) and effect size (f^2) were used to assess the explanatory power and magnitude of the relationships between constructs. Participation in the study was voluntary and anonymous, and all responses were used exclusively for academic research purposes. For clarity in the presentation of the structural model, the constructs are abbreviated as follows: short-video platform communication environment (SVCE), innovation-decision process (IDP), and digital communication strategy innovation (DCSI).

RESULTS AND DISCUSSION

This section presents the empirical findings regarding how short-video platform communication environments influence the development of SME digital communication strategies. The analysis was conducted using Partial Least Squares Structural Equation Modelling (PLS-SEM), which evaluates both measurement model validity and structural relationships between constructs. The respondent profile illustrates the communication context in which SMEs develop digital communication strategies on short-video platforms. As shown in Table 1, most respondents operate small enterprises (45.9%), followed by micro enterprises (32.1%) and medium enterprises (21.9%). The dominance of small and micro enterprises reflects the typical structure of SMEs that rely heavily on digital communication platforms to reach customers.

In terms of business sector, the culinary sector represents the largest proportion of respondents (52.8%), followed by agribusiness (26.3%), fashion (12.0%), craft industries (4.1%), and other sectors (4.8%). This distribution indicates that consumer-oriented SMEs frequently utilize digital platforms as communication channels to promote products and interact with audiences. Regarding platform usage, TikTok is the most widely used short-video platform among SMEs (62.5%), followed by Instagram Reels (20.9%). A smaller proportion of businesses use feed-based short video content (11.2%) and Snack Video (5.4%). These findings confirm the increasing role of short-video platforms as strategic communication environments where SMEs experiment with various forms of digital storytelling and audience engagement.

Table 1: Communication context of SMEs using short-video platforms

Communication Context	Category	Frequency	Percentage
Business scale	Micro enterprise	126	32.1
	Small enterprise	180	45.9
	Medium enterprise	86	21.9

Business sector	Culinary	207	52.8
	Agribusiness	103	26.3
	Fashion	47	12.0
	Craft	16	4.1
	Others	19	4.8
Primary short-video platform used for communication	TikTok	245	62.5
	Instagram Reels	82	20.9
	Feed-based short video content	44	11.2
	Snack Video	21	5.4
Total respondents		392	100

Measurement Model Evaluation

Before testing the structural relationships, the measurement model was evaluated to ensure reliability and validity of the constructs. Internal consistency reliability was assessed using Cronbach's alpha and composite reliability. Table 2 shows, all constructs demonstrate high reliability with Cronbach's alpha values ranging from 0.927 to 0.945 and composite reliability values ranging from 0.938 to 0.952, exceeding the recommended threshold of 0.70 (Hair et al., 2021). These results imply that the measurement items consistently represent their underlying constructs. Convergent validity was examined using the Average Variance Extracted (AVE). All constructs report AVE values above 0.50, indicating that each construct explains more than half of the variance of its indicators. This result confirms adequate convergent validity in the measurement model.

Table 2: Construct reliability and convergent validity

Factor	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
SVCE	0.927	0.938	0.556
DCSI	0.941	0.949	0.606
IDP	0.945	0.952	0.623

Indicator reliability was further evaluated using outer loading values. All measurement items show loading values above the recommended threshold of 0.70, indicating that the indicators adequately capture the conceptual dimensions of the constructs. To maintain clarity and conciseness in the main manuscript, detailed outer loading results are presented in the Appendix (Table 3). Discriminant validity was evaluated using the Fornell–Larcker criterion. As presented in Table 4, the square root of AVE for each construct is higher than its correlations with other constructs. This finding indicates that each construct shares greater variance with its indicators than with other constructs in the model, confirming satisfactory discriminant validity (Hair et al., 2021).

Table 4: Discriminant validity (Fornell-Larcker Criterion)

	SVCE	DCSI	IDP
SVCE	0.746		
DCSI	0.735	0.779	
IDP	0.637	0.716	0.789

Structural Model Evaluation

After confirming the adequacy of the measurement model, the structural model was examined to assess the explanatory power of the proposed research model. The coefficient of determination (R^2) was used to evaluate the predictive capability of the model. Table 6 summarizes the results showing that short-video platform communication environments explain 40.6% of the variance in the innovation-decision process ($R^2 = 0.406$). According to Chin's classification, this value indicates moderate explanatory power for behavioural research models. Furthermore, the combined influence of short-video platform communication environments and the innovation-decision process explains 64.4% of the variance in SME digital communication strategy innovation ($R^2 = 0.644$). This finding indicates that the proposed model provides substantial explanatory power in predicting how SMEs develop digital communication strategies within short-video environments.

Table 6: Coefficient of determination (R^2)

R-square variable	R-square
IDP	0.406
DCSI	0.644

Effect size analysis using f^2 statistics was conducted to evaluate the relative importance of each relationship in the structural model. Table 7 indicates that short-video platform communication environments exhibit a large effect on the innovation-decision process ($f^2 = 0.683$). The direct influence of platform environments on digital communication strategy innovation also demonstrates a large effect ($f^2 = 0.369$). Meanwhile, the innovation-decision process shows a moderate effect on digital communication strategy innovation ($f^2 = 0.290$). These results indicate that platform communication environments play a dominant role in shaping SME communication strategies, while entrepreneurial decision-making processes also contribute significantly to the development of digital communication innovation.

Table 7: Effect size (F Square)

SVCE	DCSI	IDP
SVCE	0.369	0.683
DCSI		
IDP	0.290	

Hypothesis and Mediation Testing

Hypothesis testing was conducted using the bootstrapping procedure in PLS-SEM to evaluate the significance of the structural relationships.

1. The results show that short-video platform communication environments significantly influence the innovation-decision process ($\beta = 0.637$, $t = 14.362$, $p < 0.001$), supporting H1. This finding suggests that the communication environment provided by short-video platforms encourages SMEs to evaluate and explore new communication strategies.
2. Furthermore, short-video platform communication environments significantly influence SME digital communication strategy innovation ($\beta = 0.470$, $t = 8.843$, $p < 0.001$), supporting H2. This indicates that platform environments directly stimulate the development of innovative communication practices among SMEs.

3. The innovation-decision process also shows a significant influence on digital communication strategy innovation ($\beta = 0.417$, $t = 7.563$, $p < 0.001$), supporting H3. This finding highlights the importance of entrepreneurial decision-making processes in transforming digital platform opportunities into communication strategies.

Table 8: Results of hypothesis testing

Hypothesis	Structural Path	β	t-value	p-value	Result
H1	SVCE $\rightarrow$ IDP	0.637	14.362	<0.001	Supported
H2	SVCE $\rightarrow$ DCSI	0.470	8.843	<0.001	Supported
H3	IDP $\rightarrow$ DCSI	0.417	7.563	<0.001	Supported

Mediation Effect

The mediating role of the innovation-decision process was examined using indirect effect analysis. As presented in Table 9, the innovation-decision process significantly mediates the relationship between short-video platform communication environments and digital communication strategy innovation ($\beta = 0.265$, $t = 6.309$, $p < 0.001$). The mediation effect size calculated using the upsilon statistic ($u = 0.07$) indicates a moderate mediation effect (Ogbeibu et al., 2021). Collectively, the results indicate short-video platform environments influence SME communication strategies both directly and indirectly through entrepreneurial decision-making processes.

Table 9: Indirect Effect (Mediation Analysis)

Indirect Relationship	Indirect Effect (β)	t-value	p-value	Effect size (u)	Interpretation
SVCE $\rightarrow$ IDP $\rightarrow$ DCSI	0.265	6.309	<0.001	0.07	Moderate mediation

Discussion

The findings of this study provide deeper insights into the strategic role of short-video platforms in shaping SME digital communication practices. Rather than viewing these platforms simply as digital marketing channels, the results demonstrate that they operate as communication environments where entrepreneurs continuously interpret audience feedback, experiment with communication formats, and refine their strategic decisions (Ge et al., 2021; Liang & Yoon, 2022; Rozaq et al., 2025; Wang, 2020). This perspective broadens current communication scholarship by emphasizing that digital communication strategy evolves through an ongoing interaction between platform characteristics and entrepreneurial decision-making, rather than through technological adoption alone.

First, the findings indicate that short-video platform communication environments significantly stimulate the innovation-decision process among SMEs. Rather than serving only as communication channels, digital platforms appear to create environments that encourage entrepreneurs to explore, evaluate, and gradually refine new communication possibilities. Short-video platforms integrate immersive audiovisual content, algorithm-driven content distribution, and interactive communication features, which collectively create conditions that stimulate experimentation with digital communication practices. Earlier research likewise reported that platform environments shape how users perceive and respond to digital technologies (Liang & Yoon, 2022; Wang, 2020). Within the context of SMEs, these platform environments provide entrepreneurs with opportunities to observe communication trends, analyse audience responses, and gradually evaluate how digital media can support business communication objectives.

From the perspective of diffusion of innovation theory, this relationship reflects the early stages of the innovation adoption process, particularly the knowledge and persuasion stages identified by Rogers (2003). In these stages, individuals or organizations become aware of new technological opportunities and begin to evaluate their potential benefits. For SMEs operating in digital markets, exposure to short-video communication environments allows entrepreneurs to acquire knowledge about platform features and develop attitudes toward their usefulness for business communication. Taken together, these observations indicate that platform environments can act as catalysts for the cognitive processes underlying communication strategy development.

Another important observation emerging from the analysis is that short-video platform communication environments directly influence SME digital communication strategy innovation. The evidence also shows that digital platforms extend beyond their role as distribution channels and provide spaces where communication practices can evolve creatively. In short-video environments, SMEs often experiment with various forms of digital storytelling, including the adaptation of viral trends, the integration of music-based narratives, live-stream interactions, humorous content strategies, and collaborations with digital influencers. Collectively, these practices demonstrate how entrepreneurs adapt platform features and convert them into meaningful communication strategies. This interpretation aligns with earlier studies reporting that social media platforms enable SMEs to develop innovative communication and marketing strategies at relatively low cost (Appel et al., 2020; De Oliveira et al., 2020). Digital platforms reduce traditional barriers to market communication, allowing small businesses to reach broader audiences and interact directly with consumers. In practical terms, digital communication innovation becomes an important strategic mechanism through which SMEs can enhance brand visibility, strengthen audience engagement, and compete within digital marketplaces.

Another important contribution of these findings is the significant influence of the innovation-decision process on SME digital communication strategy innovation. These results further emphasize the central role of entrepreneurial decision-making in transforming digital platform opportunities into concrete communication practices. SMEs do not automatically develop communication innovations simply because digital technologies are available. Instead, entrepreneurs evaluate the relevance of digital media features, observe successful content practices within digital communities, and experiment with various communication approaches before integrating them into their business strategies.

The observed pattern closely reflects Rogers' (2003) five-stage model of innovation adoption, which includes knowledge, persuasion, decision, implementation, and confirmation. In SME contexts, these stages often involve iterative learning processes in which entrepreneurs test different communication formats and adjust their strategies based on audience responses and platform dynamics. Research on digital entrepreneurship also suggests that SMEs frequently rely on experiential learning and experimentation when developing digital communication strategies (Horst et al., 2020; Markowska & Wiklund, 2020). Taken together, these observations reinforce the importance of the innovation-decision process in translating technological opportunities into strategic communication practices.

Beyond these direct relationships, the results demonstrate that the innovation-decision process partially mediates the relationship between short-video platform communication environments and digital communication strategy innovation. The mediation

analysis indicates that communication innovation among SMEs is not determined solely by technological environments. Although digital platforms provide opportunities for communication experimentation, these opportunities lead to strategic innovation only when entrepreneurs actively interpret and implement them through decision-making processes.

This interpretation is in line with earlier studies arguing that technological affordances alone cannot explain innovation outcomes without considering organizational and cognitive processes (Kwon et al., 2021). In SME contexts, entrepreneurs play an active role in translating digital platform opportunities into communication strategies that align with business objectives. Accordingly, the innovation-decision process serves as a critical mechanism that connects technological environments with communication strategy development.

Overall, this study contributes to communication research by demonstrating that the development of SME digital communication strategies in short-video environments is shaped by the interaction between digital communication environments and entrepreneurial decision-making processes. By integrating diffusion of innovation theory with digital communication strategy perspectives, this research highlights how SMEs develop adaptive communication practices through experimentation, learning, and strategic interpretation of digital platform environments. These findings also suggest that effective digital communication strategies cannot be separated from entrepreneurs' ability to interpret rapidly changing communication environments. The success of short-video platforms is influenced not only by platform features but also by how entrepreneurs continuously learn from audience interactions, evaluate communication outcomes, and adapt their storytelling practices over time. Consequently, communication strategy innovation should be understood as an iterative and adaptive process rather than a one-time technological adoption decision.

CONCLUSION AND IMPLICATIONS

This study demonstrates that the communication value of short-video platforms extends beyond their technological capabilities. For SMEs, these platforms represent dynamic communication environments in which entrepreneurs continuously interpret audience responses, experiment with content strategies, and refine digital communication practices. Overall, the evidence points to communication strategy innovation as an outcome of the interaction between platform environments and entrepreneurial decision-making rather than from technology adoption alone. From a communication strategy perspective, the results highlight that digital communication innovation among SMEs emerges through processes of experimentation, evaluation, and strategic adaptation. Short-video platforms provide environments that encourage entrepreneurs to explore various communication approaches, including digital storytelling, audience engagement, and interactive content strategies. However, the transformation of these technological opportunities into communication innovation occurs through the innovation-decision process, where entrepreneurs assess the relevance of digital media features and determine how they can be integrated into business communication practices. These results strengthen the view that communication strategy development in digital environments depends not only on technological affordances but also on entrepreneurs' strategic interpretation of those affordances.

Theoretically, this study contributes to communication research by integrating diffusion of innovation theory with digital communication strategy perspectives. Whereas earlier studies have generally approached short-video platforms from the perspective of technological affordances or consumer engagement outcomes, the present study emphasizes the strategic processes through which entrepreneurs transform digital platform

environments into communication strategies. Recognizing the mediating role of the innovation-decision process offers a broader explanation of how communication strategies develop within rapidly evolving social media ecosystems. For practitioners, these findings suggest that SMEs should view short-video platforms as strategic communication environments rather than merely promotional tools. Entrepreneurs can leverage these platforms to experiment with various forms of content creation, develop interactive communication strategies, and strengthen audience relationships through digital storytelling. Continuous evaluation of platform features and iterative decision-making may help SMEs strengthen audience engagement while improving digital visibility in competitive online markets. Overall, this study reinforces the importance of examining digital platforms from a communication perspective. Examining how entrepreneurs interpret, evaluate, and respond to evolving communication environments provides a richer explanation of digital communication innovation than approaches focused primarily on technological characteristics or platform affordances.

Beyond extending diffusion of innovation theory, the proposed framework reinforces the value of viewing short-video platforms as evolving communication environments in which technological features, entrepreneurial interpretation, and strategic decision-making continuously interact. This perspective offers a communication-centred explanation of digital innovation that complements technology-oriented approaches and provides a stronger theoretical foundation for future studies of SME communication in rapidly changing digital ecosystems.

Limitations and Future Research

Despite its contributions, this study has several limitations that should be acknowledged. First, the research focuses on SMEs located within a single regional context in Indonesia. Although the findings provide valuable insights into SME communication strategies in short-video environments, the results may not fully represent communication practices in other cultural or economic contexts. Future research may expand the geographic scope of analysis by examining SMEs across different regions or countries in order to provide comparative insights into how digital communication strategies evolve in diverse entrepreneurial ecosystems. Second, this study relies on survey-based quantitative data that capture entrepreneurs' perceptions of digital communication practices. While this approach is appropriate for testing theoretical relationships between constructs, it may not fully capture the dynamic processes through which SMEs experiment with and refine communication strategies on digital platforms. Future studies may employ qualitative or mixed-method approaches, such as in-depth interviews, digital ethnography, or case studies, to explore how entrepreneurs develop communication strategies through real-time interaction with audiences and platform algorithms.

Finally, future research may extend the proposed framework by incorporating additional organizational and contextual factors that influence SME communication strategies in digital environments. Variables such as digital literacy, entrepreneurial learning, platform algorithm awareness, and organizational culture may further explain how SMEs interpret digital communication environments and develop strategic communication practices. Exploring these factors would provide a more comprehensive understanding of how SMEs adapt their communication strategies within rapidly evolving digital media ecosystems.

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APPENDIX

Table 3: Convergent validity

Construct	Indicator	Measurement Item	Outer loading	Result
SVCE	X1.1	I intensively interact with customers on short video platforms	0.718	Valid
	X1.2	The short video platform provides an immersive experience for my customers	0.766	Valid
	X1.3	The short video platform gave me a new experience	0.745	Valid
	X1.4	The short video platform brings me closer to customers	0.742	Valid
	X1.5	The short video platform has become my communication tool with customers	0.761	Valid
	X1.6	The short video platform supports my digital communications with customers.	0.737	Valid
	X1.7	The video content that I present is in accordance with my business goals.	0.735	Valid
	X1.8	Delivery of product information via short video platforms is better	0.765	Valid
	X1.9	The content of the short video platform appears clearer	0.774	Valid
	X1.10	Entertainment content can increase consumer engagement	0.750	Valid
	X1.11	Entertainment content provides a lot of consumer response through comments	0.725	Valid
	X1.12	Entertainment content provides positive feedback from customers	0.728	Valid
DCSI	Y.1	I present a lot of content following other content that is currently viral	0.724	Valid
	Y.2	The presentation of content is more effective following content that is currently viral	0.764	Valid
	Y.3	Using the music feature supports the content I create	0.780	Valid
	Y.4	Music features increase consumer engagement	0.800	Valid
	Y.5	I make sales via live streaming	0.797	Valid
	Y.6	Doing live streaming supports direct interaction with customers	0.770	Valid
	Y.7	Humorous content supports interaction with customers	0.782	Valid
	Y.8	Humorous content is effectively used on my short video platform	0.785	Valid
	Y.9	Humorous content positions my business	0.776	Valid
	Y.10	Endorsing short video platforms has an impact on my business	0.805	Valid
	Y.11	Doing endorsements can reach my target audience	0.769	Valid
	Y.12	Doing endorsements can strengthen my business position	0.788	Valid
IDP	Z.1	I understand the use of short video platforms	0.762	Valid
	Z.2	I understand the features on the short video platform	0.782	Valid
	Z.3	I understand the use of short video platforms to support my business	0.764	Valid
	Z.4	Short video platforms can help my business	0.779	Valid
	Z.5	The content I create helps grow my business	0.785	Valid
	Z.6	The short video platform is easy to use	0.787	Valid
	Z.7	I convey business through short video platforms	0.810	Valid

Z.8	I will use the short video platform next	0.814	Valid
Z.9	Short video platform as the main tool to inform my business	0.802	Valid
Z.10	Short video platform as the main tool to inform my products	0.814	Valid
Z.11	The presence of the short video platform met my expectations	0.788	Valid
Z.12	I will use short video platforms on an ongoing basis	0.782	Valid

Table 5: Cross loading

Indicators	IDP	DCSI	SVCE
X1.1	0.445	0.519	0.718
X1.2	0.500	0.612	0.766
X1.3	0.467	0.550	0.745
X1.4	0.504	0.553	0.742
X1.5	0.508	0.542	0.761
X1.6	0.486	0.525	0.737
X1.7	0.425	0.549	0.735
X1.8	0.505	0.529	0.765
X1.9	0.455	0.537	0.774
X1.10	0.464	0.601	0.750
X1.11	0.453	0.510	0.725
X1.12	0.482	0.545	0.728
Y.1	0.573	0.724	0.558
Y.2	0.545	0.764	0.586
Y.3	0.558	0.780	0.578
Y.4	0.559	0.800	0.590
Y.5	0.556	0.797	0.586
Y.6	0.569	0.770	0.592
Y.7	0.566	0.782	0.583
Y.8	0.555	0.785	0.543
Y.9	0.585	0.776	0.550
Y.10	0.527	0.805	0.584
Y.11	0.539	0.769	0.565
Y.12	0.553	0.788	0.550
Z.1	0.762	0.482	0.521
Z.2	0.782	0.533	0.533
Z.3	0.764	0.512	0.540
Z.4	0.779	0.524	0.553
Z.5	0.785	0.588	0.492
Z.6	0.787	0.604	0.490
Z.7	0.810	0.602	0.467
Z.8	0.814	0.572	0.490
Z.9	0.802	0.607	0.484
Z.10	0.814	0.611	0.539
Z.11	0.788	0.579	0.445
Z.12	0.782	0.557	0.478