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The Effect of Green Strategy on Sustainable Value Creation, Mediated by Social Impact Orientation, Among Small and Medium-Sized Coffee Shop Businesses in Yogyakarta

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Green Strategy; Social Impact Orientation; Sustainable Value Creation; UMKM Coffeeshop; PLS-SEM.

Abstract
This study examined the effect of Green Strategy on Sustainable Value Creation with Social Impact Orientation as a mediating variable among coffee shop MSMEs in Yogyakarta City. The research was motivated by the increasing demand for sustainable business practices that are not only oriented toward economic profit but also consider social and environmental aspects. This study employed a quantitative approach involving coffee shop MSMEs in Yogyakarta City. Data were collected through questionnaires distributed to 133 respondents who met the predetermined criteria and were analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method with SmartPLS 4.0 software. The results showed that Green Strategy had a positive and significant effect on Sustainable Value Creation and Social Impact Orientation. Furthermore, Social Impact Orientation had a positive and significant effect on Sustainable Value Creation. The specific indirect effect test indicated that Social Impact Orientation positively and significantly mediated the relationship between Green Strategy and Sustainable Value Creation. These findings demonstrate that the implementation of environmentally friendly strategies is more effective in creating sustainable value when accompanied by a company’s orientation toward generating positive social impacts. This study concludes that Green Strategy and Social Impact Orientation are important factors in enhancing Sustainable Value Creation among coffee shop MSMEs in Yogyakarta City. Therefore, MSME actors should integrate environmentally friendly strategies with social impact orientation as part of their business strategies to improve competitiveness and create sustainable economic, social, and environmental value.

INTRODUCTION

In recent decades, the concept of sustainability has undergone significant development in the global business world. Sustainability is no longer viewed solely as an environmental issue but has evolved into a strategic paradigm that influences how companies conduct their business activities. Modern companies are no longer assessed only based on their ability to generate financial profits but also on their contributions to environmental preservation and social welfare. This paradigm shift gave rise to the concept of the Triple Bottom Line introduced by (Elkington, 1997), which emphasizes the importance of balancing economic (profit), social (people), and environmental (planet) aspects in creating long-term value (Bansal, 2005). In this context, companies are required not only to pursue profitability but also to generate positive social and environmental impacts to maintain long-term business sustainability.

The concept of sustainability has become increasingly relevant amid growing public awareness of environmental issues, climate change, and corporate social responsibility (Achsani & Santoso, 2023). Modern consumers have begun to demonstrate changes in consumption behavior by paying greater attention to the values represented by companies. Purchasing decisions are no longer influenced solely by product price and quality but also by how companies manage their environmental responsibilities, social contributions, and stakeholder relationships. This phenomenon is known as conscious consumerism, in which consumers tend to choose products or brands perceived as socially and environmentally responsible (White et al., 2019). This condition has encouraged companies to integrate sustainability principles into their business strategies to remain relevant and competitive amid changing consumer expectations (D. Aryani et al., 2022; E. Aryani et al., 2022).

In Indonesia, the implementation of sustainability principles has become increasingly important due to the strategic role of Micro, Small, and Medium Enterprises (MSMEs) in the national economy. MSMEs represent a sector with a substantial contribution to Gross Domestic Product (GDP) and employment absorption in Indonesia. Based on data from the Ministry of Cooperatives and SMEs, MSMEs contribute more than 60% of national GDP and absorb a significant proportion of the domestic workforce. This indicates that MSME sustainability is not only related to business continuity but also affects broader economic and social stability.

One MSME sector that has experienced rapid growth in recent years is the Food and Beverage (F&B) sector, particularly coffee shop MSMEs. The growth of coffee shop MSMEs has been driven by changes in urban lifestyles, the increasing popularity of experience-based consumption, and the rising trend of coffee consumption among younger generations. Coffee shops are no longer viewed merely as places for beverage consumption but have transformed into social spaces (third places) with social, cultural, and symbolic functions in modern society (Oldenburg, 1999).

The development of coffee shops in Indonesia demonstrates a dynamic business phenomenon. In recent years, coffee shop MSMEs have expanded significantly in various major cities, including Yogyakarta City. Yogyakarta has become one of the regions experiencing rapid coffee shop MSME growth due to its unique characteristics as a student city, cultural center, and tourism destination. The large student population, development of creative MSMEs, and growing hangout culture have made Yogyakarta a potential market for coffee shop businesses (Revell et al., 2010). In addition, the presence of various universities and the growth of creative economy activities have encouraged the increasing number of coffee shop entrepreneurs in the region.

Data from the Yogyakarta Regional Development Planning Agency (Bappeda DIY) in 2025 showed that the number of active students in Yogyakarta City reached approximately 597,038 students across various universities in the Special Region of (Bappeda, 2025). This large student population has created high demand for flexible and comfortable social spaces for studying, working, and socializing. In this context, coffee shops have become one of the preferred choices among younger generations because they provide not only consumption functions but also social and productive functions. Furthermore, digital technology and social media development have become important factors supporting coffee shop MSME growth. Visual appeal, Instagrammable interior concepts, and unique customer experiences have become key attractions for consumers.

Research on green strategy and sustainable value creation has received increasing attention among academics and business practitioners in recent decades (Ahmad et al., 2023). This phenomenon aligns with growing global awareness of the need to balance economic growth, environmental preservation, and social welfare, as reflected in the Triple Bottom Line concept (Elkington, 1997) In the context of MSMEs, implementing green strategies has become increasingly important because this sector contributes significantly to Indonesia's GDP and employment. Coffee shops represent one rapidly growing MSME sector, particularly in major cities such as Yogyakarta, which has unique characteristics as an educational, cultural, and tourism hub. However, the rapid growth of coffee shops has not always been accompanied by the ability of businesses to create sustainable value, highlighting the need for deeper understanding of the factors influencing sustainable value creation in this sector.

(Nuryakin & Maryati, 2022), published in Cogent Business & Management, examined the effect of green marketing orientation on green marketing performance among batik MSMEs in Yogyakarta using a sample of 223 respondents. The study found that green marketing orientation significantly influenced green innovation and green competitive advantage, which subsequently improved green marketing performance (Alkaraan et al., 2024). A key finding of this research was the mediating role of green innovation and green competitive advantage in the relationship between green marketing orientation and green marketing performance (Abbas et al., 2023). However, the study was limited because it did not examine the role of social impact orientation as a mediating variable and focused on the batik sector, which has different characteristics from the culinary sector, including coffee shops.

(Chen et al., 2024), published in Cleaner Production Letters, investigated the adoption of green strategies and related practices among 376 small-scale food and beverage businesses in developing economies. The findings indicated that green market orientation positively influenced corporate environmental performance, with green practices functioning as a mediating mechanism. Although this study provided theoretical contributions by examining green market orientation dimensions comprehensively, it did not specifically investigate sustainable value creation as a dependent variable or explore the role of social impact orientation in the coffee shop context.

Based on previous studies, several significant research gaps were identified. First, most research on green strategies has focused on large companies and manufacturing sectors, while studies involving MSMEs, particularly coffee shops, remain limited. Second, research integrating green strategy, social impact orientation, and sustainable value creation within a single research model remains scarce. Third, previous studies have not extensively examined the mediating role of social impact orientation in the relationship between green strategy and sustainable value creation. Fourth, the geographical context of Yogyakarta, with its unique and dynamic coffee shop ecosystem, has not been sufficiently explored in MSME sustainability research.

The novelty of this research lies in several aspects. First, this study develops a conceptual model integrating green strategy, social impact orientation, and sustainable value creation in the context of coffee shop MSMEs. Second, this study examines the mediating role of social impact orientation, which remains underexplored in previous literature. Third, this research applies a quantitative approach using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method to examine relationships among variables simultaneously. Fourth, this study focuses on coffee shop MSMEs in Yogyakarta, which possess unique characteristics as a cultural, educational, and tourism city. Based on these contributions, this study aims to examine the effect of green strategy on sustainable value creation with social impact orientation as a mediating variable among coffee shop MSMEs in Yogyakarta City.

The rapid growth in the number of coffee shops in Yogyakarta does not necessarily indicate a strong ability among businesses to create sustainable value (Bae et al., 2024). The increasing number of businesses has generated several challenges, including intense competition, market saturation, and similarities in business concepts, causing many coffee shops to offer relatively comparable products, designs, and customer experiences. This condition makes it increasingly difficult for consumers to differentiate one coffee shop from another, thereby creating challenges in building customer loyalty. Furthermore, business failure within the coffee shop industry indicates that not all businesses are able to survive in the long term despite operating in a growing market. This phenomenon suggests that industrial growth does not automatically result in sustainable economic, social, and environmental value creation. Therefore, strategies are needed to strengthen Sustainable Value Creation so that coffee shop MSMEs can maintain competitiveness while generating sustainable value for businesses, communities, and the environment.

Although numerous studies on green strategies have been conducted, most have focused on large companies and manufacturing sectors. Studies integrating green strategy, social impact orientation, and Sustainable Value Creation in the context of MSMEs, particularly coffee shops in Yogyakarta City, remain relatively limited. Based on these conditions, this study aims to examine the effect of green strategy on Sustainable Value Creation, both directly and through the mediating role of social impact orientation, to address the identified research gap. The findings are expected to contribute theoretically to the development of sustainable strategic management literature and provide practical implications for MSME actors, government institutions, and stakeholders in designing business strategies capable of creating sustainable economic, social, and environmental value through a quantitative approach using the PLS-SEM method.

METHOD

Research Design

This study employed a quantitative approach with an explanatory research design to examine the relationships among Green Strategy, Social Impact Orientation, and Sustainable Value Creation. The quantitative approach was selected to test the proposed hypotheses through statistical analysis of data collected from respondents, enabling the findings to be generalized to coffee shop MSMEs in Yogyakarta City.

A cross-sectional approach was used for data collection, with data gathered at a single point in time to describe the implementation of sustainability strategies among coffee shop MSMEs during the research period. The explanatory design was appropriate because this study aimed to examine the effect of Green Strategy on Sustainable Value Creation, both directly and through Social Impact Orientation as a mediating variable, using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method.

The research object consisted of coffee shop MSMEs operating in Yogyakarta City. The selection of this research setting was based on the rapid growth of the coffee shop industry and the increasing relevance of sustainable business strategy implementation in this sector. The MSMEs included in this study referred to the criteria established in Law Number 20 of 2008 and Government Regulation Number 7 of 2021. The research was conducted among independently managed coffee shops that met the MSME criteria.

Population and Sample

The research population is all independent coffeeshop MSMEs operating in Yogyakarta City. The population is limited to coffeeshops that have been operating for at least six months, have a permanent business location, and are not part of a franchise network. This restriction is carried out so that the respondents have experience in running a business and implementing business strategies that are relevant to the research.

The number of samples is determined based on the SEM-PLS guidelines, which is at least 5–10 times the number of research indicators. With the number of indicators around 20-25 indicators, the sample used ranged from 120-200 respondents.

The sample came from MSME coffeeshops that have 3-30 employees, provide dine-in areas, and meet the research criteria. The dine-in area is one of the requirements because it is related to the implementation of sustainability strategies and social activities observed in the study.

Technology Sampling

The sampling technique used is purposive sampling, which is the selection of respondents based on certain criteria. Respondents' criteria include:

1. Owner or manager of a coffeeshop.
2. Understand business operations and strategies.
3. Be involved in decision-making.
4. The business has been operating for at least six months.
5. The coffeeshop meets the criteria of MSMEs and has a dine-in area.

To expand the reach of respondents, the study also used snowball sampling, where initial respondents provided recommendations to other respondents who met the research criteria.

Types of Research Data

The research uses quantitative data from two sources, namely primary data and secondary data.

1. Data Primer

Primary data was obtained directly from coffeeshop owners or managers through the distribution of questionnaires using a five-point Likert scale. The questionnaire measured respondents' perception of the variables of green strategy, social impact orientation, and sustainable value creation.

2. Data Seconds

Secondary data is obtained from scientific journals, books, research reports, government publications, and other relevant sources. This data is used to strengthen the theoretical foundation, develop a research framework, and support the discussion of research results.

Data Collection Procedure

Data collection is carried out through several stages as follows.

1. Compile a questionnaire based on variable indicators taken from previous theories and research.
2. Conduct a pre-test to ensure that each question is easy to understand and in accordance with the purpose of the research.
3. Distribute the questionnaire online through Google Form and offline by directly visiting the coffeeshop that is the object of the research.
4. Validate respondents using screening questions to ensure that respondents meet the research criteria.
5. Carry out follow-up to respondents who have not filled out the questionnaire so that the target number of samples can be achieved.
6. Conducting data screening, which is checking the completeness, consistency, and suitability of data. Questionnaires that did not meet the criteria or were incomplete were not used in the analysis.
7. Perform data cleaning and coding, which is cleaning data from errors or duplication and converting questionnaire answers into numerical data.
8. Input data to SmartPLS for analysis of measurement models, structural models, and hypothesis testing.

With this procedure, the data obtained is expected to be valid, reliable, and suitable for analysis using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method.

RESULTS AND DISCUSSION

Hypothesis Testing

Hypothesis testing in this study was carried out using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) approach to determine the influence between variables in accordance with the research model that has been formulated. The evaluation of the structural model (inner model) was carried out by analyzing the path coefficients, the value of the determination coefficient (R^2), the value of t-statistics, p-values, as well as the direct effect, indirect effect, and total effect. This test aims to determine the direction, strength, and significance of the relationship between Green Strategy, Social Impact Orientation, and Sustainable Value Creation.

Before testing the hypothesis significance, the structural model is first evaluated through Path Coefficients to see the direction of the relationship between latent variables in the research model.

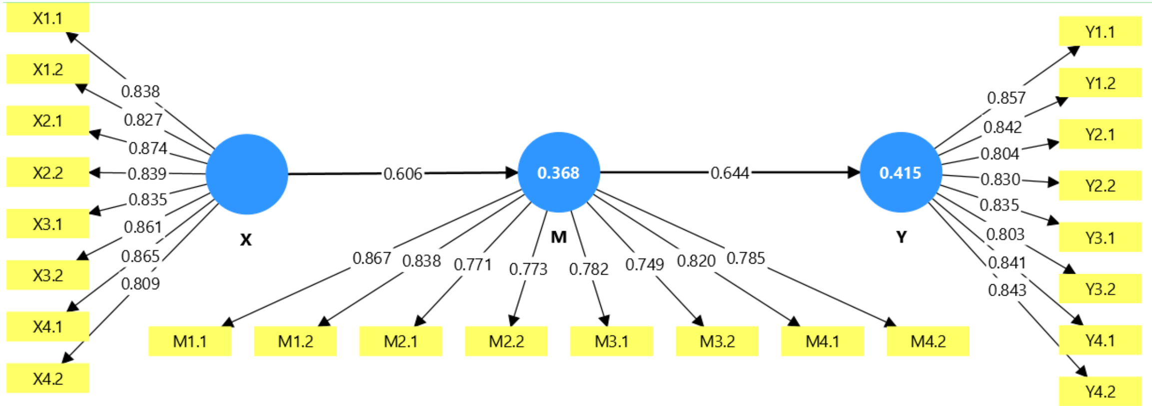

Figure 1. Path Coefficients

Source: Primary data processed by researchers, July 2026

Based on Figure 1, it is known that the Green Strategy (X) variable has a positive influence on Social Impact Orientation (M) with a path coefficient value of 0.606. Furthermore, the Social Impact Orientation (M) variable also showed a positive influence on Sustainable Value Creation (Y) with a coefficient value of 0.644. Both coefficient values have a positive value, which indicates that the increase in the implementation of the Green Strategy is likely to be followed by an increase in Social Impact Orientation, and the higher the Social Impact Orientation will be followed by an increase in Sustainable Value Creation.

In addition to showing the relationship between variables, Figure 4.1 also shows the value of the determination coefficient (R^2) for each endogenous variable. The Social Impact Orientation (M) variable had an R^2 value of 0.368, which means that 36.8% of the variation in Social Impact Orientation could be explained by the Green Strategy variable, while the remaining 63.2% were influenced by other factors outside the research model. Meanwhile, the Sustainable Value Creation (Y) variable had an R^2 value of 0.415, which indicates that 41.5% of the variation in Sustainable Value Creation can be explained by the Green Strategy and Social Impact Orientation variables, while the remaining 58.5% is influenced by other variables that were not included in the research model.

In general, the structural model shows that the relationships between variables are in accordance with the conceptual framework of the research, where the Green Strategy plays a role in improving the Social Impact Orientation (Riani & Subanti, 2022), which further contributes to the improvement of Sustainable Value Creation. However, to ascertain whether the relationship has a significant effect, further testing is needed using bootstrapping results which include t-statistics, p-values, and testing of each research hypothesis.

Figure 4.2 shows the p-value of the bootstrapping process on the structural model. The p-value is used to test the level of significance of the relationship between latent variables and indicators in the research model. In the SEM-PLS analysis, a relationship is declared significant if it has a p-value of < 0.05, which indicates that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted.

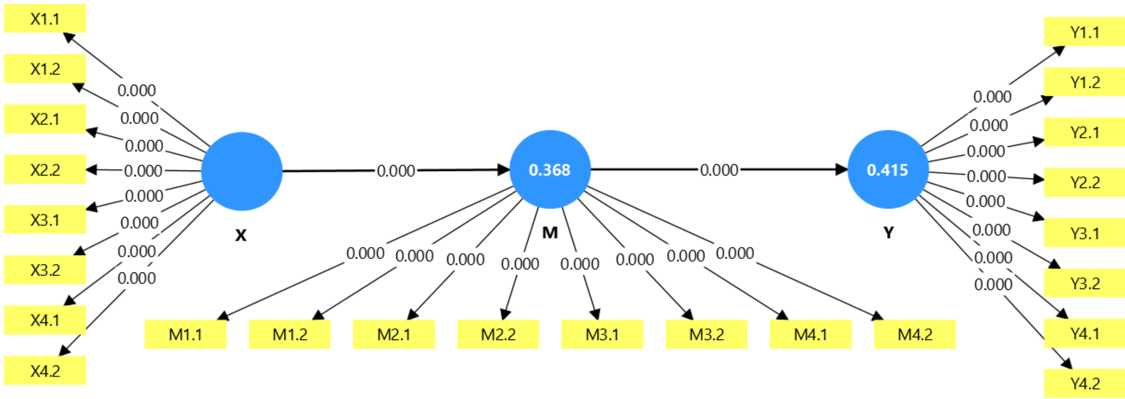

Figure 2. P-Value Significance Coefficient

Source: Primary data processed by researchers, July 2026

Based on Figure 2, all relationships between variables and relationships between constructs and indicators have a p-value of 0.000. These values show that all relationships formed in the research model have a very high level of significance. Although the SmartPLS display says 0.000, this value does not mean that it is equal to zero, but rather shows that the p-value is smaller than 0.001 ($p < 0.001$) so it is far below the significance limit of 0.05.

These results show that all indicators used are able to reflect the constructs of Green Strategy, Social Impact Orientation, and Sustainable Value Creation significantly. In addition, the relationship between variables in the research model also has a high level of significance, so the constructed structural model has received statistical support.

Thus, the results of bootstrapping testing through p-value provide an initial indication that the relationship between variables in this study is significant. However, the final decision on the acceptance or rejection of each research hypothesis is still based on the analysis of Direct Effect, Indirect Effect, Total Effect, as well as t-statistics and p-values which will be discussed in the next subchapter.

Hypothesis testing was carried out to find out whether or not there is an influence between variables in the research model. In this study, hypothesis testing was carried out using the bootstrapping method on the SmartPLS application. The hypothesis decision is based on the path coefficient, t-statistic, and p-value. A hypothesis is declared acceptable if it has a t-statistical value of > 1.96 and a p-value of < 0.05 at a significance level of 5%.

Table 1. Hypothesis Test Before Elimination

Hipotesis	**Relationships Between Variables**	**Line Coefficient (β)**	**t-statistic**	**p-value**	**Verdict**
H1	Green Strategy (X) → Sustainable Value Creation (Y)	0,391	7,274	0,000	Accepted
H2	Green Strategy (X) → Social Impact Orientation (M)	0,606	11,789	0,000	Accepted
H3	Social Impact Orientation (M) → Sustainable Value Creation (Y)	0,644	12,350	0,000	Accepted
H4	Green Strategy (X) → Social Impact Orientation (M) → Sustainable Value Creation (Y)	0,391	7,274	0,000	Mediation accepted

Source: Primary data processed by researchers, July 2026.

Based on the test results in Table 4.15, it is known that all hypotheses submitted in this study obtained a t-statistical value above 1.96 and a p-value of 0.000 or $p < 0.001$, so that all research hypotheses are declared accepted. These results show that Green Strategy has a significant influence on Sustainable Value Creation, both directly and through the mediation of Social Impact Orientation.

In Hypothesis 1 (H1), the path coefficient value (β) was obtained of 0.391, t-statistic of 7.274, and p-value of 0.000. The positive value of the path coefficient shows that the Green Strategy has a positive effect on Sustainable Value Creation. This means that the higher the implementation of environmentally friendly strategies in coffeeshop MSMEs in Yogyakarta City, the higher the company's ability to create economic, social, and environmental value in a sustainable manner. Since the t-statistic value is greater than 1.96 and the p-value is less than 0.05, H1 is accepted.

In Hypothesis 2 (H2), the relationship between Green Strategy and Social Impact Orientation resulted in a path coefficient value (β) of 0.606, with a t-statistic of 11.789 and a p-value of 0.000. This value is the largest coefficient among the direct relationships tested in this study. These results show that the better the implementation of the Green Strategy, the higher the social orientation possessed by coffee shop MSMEs. Thus, H2 is accepted, because the relationship has been shown to have a positive and significant effect.

Furthermore, in Hypothesis 3 (H3), the relationship between Social Impact Orientation and Sustainable Value Creation obtained a path coefficient value (β) of 0.644, t-statistic of 12.350, and p-value of 0.000. These results show that the increase in social orientation that companies have is able to increase sustainable value creation. A positive coefficient value indicates that the greater the company's attention to the social impact it produces, the higher the company's ability to create sustainable value for its stakeholders. Therefore, H3 was declared accepted.

Furthermore, Hypothesis 4 (H4) examines the role of Social Impact Orientation as a mediating variable in the relationship between Green Strategy and Sustainable Value Creation. The test results showed a path coefficient value (β) of 0.391, a t-statistic of 7.274, and a p-value of 0.000. This value shows that the mediation pathway has a positive and significant influence. Thus, Social Impact Orientation is able to mediate the relationship between Green Strategy and Sustainable Value Creation, so that H4 is accepted.

Overall, the results of the hypothesis test show that the Green Strategy not only has a direct influence on Sustainable Value Creation, but is also able to improve the Social Impact Orientation, which ultimately strengthens sustainable value creation. These findings indicate that the implementation of environmentally friendly strategies in MSMEs coffeeshops in Yogyakarta City not only produces economic and environmental benefits, but also encourages an increase in the company's social orientation which contributes to the creation of Sustainable Value Creation more optimally.

The discussion is a stage to interpret the results of the data analysis that has been obtained in this study. In this section, the researcher discusses the results of structural model testing and hypothesis testing by linking them to relevant theories and the results of previous research. The discussion was conducted to explain how the relationship between Green Strategy, Social Impact Orientation, and Sustainable Value Creation in MSMEs coffeeshops in Yogyakarta City was obtained, so that a deeper understanding of the phenomenon being researched was obtained.

Before discussing the results of the hypothesis test, an evaluation of the Goodness of Fit Model was first carried out to find out whether the research model built met the eligibility criteria. This evaluation is important because it shows the extent to which the model is able to explain the relationship between variables and has good predictive ability on research data. The indicators used in the model evaluation included R-square (R^2), Standardized Root Mean Square Residual (SRMR), Q^2predict, and Effect Size (f^2). If all of these indicators meet the set criteria, then the research model is considered feasible to be used as a basis for hypothesis testing.

After the model is declared to meet the eligibility criteria, the discussion continues by interpreting the test results of each research hypothesis to determine the influence of Green Strategy on Sustainable Value Creation, the influence of Green Strategy on Social Impact Orientation, the influence of Social Impact Orientation on Sustainable Value Creation, and the role of Social Impact Orientation mediation in the relationship between Green Strategy and Sustainable Value Creation. The results of the test are then compared with the theory and findings of previous research so that they can provide theoretical and practical implications for the development of sustainability strategies for MSMEs coffeeshop in Yogyakarta City.

Table 2. Evaluasi Goodness of Fit Model

Criteria	Indicator	Value	Remarks
R-square	Social Impact Orientation (M)	0,368	Moderate
	Sustainable Value Creation (Y)	0,415	Moderate
SRMR	Saturated Model	0,048	Good
	Estimated Model	0,084	Good
Q^2predict	Social Impact Orientation (M)	0,890	High predictive relevance
	Sustainable Value Creation (Y)	0,872	High predictive relevance
F-Square	Green Strategy (X) → Social Impact Orientation (M)	0,582	Huge effect
	Social Impact Orientation (M) → Sustainable Value Creation (Y)	0,709	Huge effect

Source: Primary data processed by researchers, July 2026.

$$
\begin{aligned}
R^2_{Total} &= 1 - (1 - R^2_1)(1 - R^2_2) \\
&= 1 - (1 - 0{,}368)(1 - 0{,}415) \\
&= 1 - (0{,}632)(0{,}585) \\
&= 1 - 0{,}3697 \\
&= 0{,}6302 \approx 63{,}02\%
\end{aligned}
$$

Based on the results of the evaluation of the Goodness of Fit Model in Table 4.16, it can be seen that the structural model built has met the feasibility criteria so that it can be used to explain the relationship between variables in this study. Evaluation was carried out through several indicators, namely R-square (R^2), Standardized Root Mean Square Residual (SRMR), Q^2predict, f-square (f^2), and R^2 Total, so that an overview of the model's ability to explain, predict, and measure the magnitude of the influence between variables was obtained.

The R-square value (R^2) for the Social Impact Orientation (M) variable was 0.368, which indicates that 36.8% of the variation in Social Impact Orientation could be explained by the

Green Strategy variable, while the remaining 63.2% was influenced by other factors outside the research model. Based on the criteria of Hair et al. (2022), this value is included in the moderate category, so Green Strategy has a fairly good ability to explain changes in social orientation in MSME coffeeshops in Yogyakarta City.

Meanwhile, the R-square (R^2) value in the Sustainable Value Creation (Y) variable is 0.415, which means that 41.5% of the variation in Sustainable Value Creation can be explained by the Green Strategy and Social Impact Orientation variables, while the remaining 58.5% is influenced by other variables that are not included in the research model. This value is also in the moderate category, which shows that the model has a fairly good explanation of the formation of Sustainable Value Creation in MSMEs coffeeshops.

The total R^2 value of 63.02% indicates that the research model as a whole is able to explain around 63.02% variation in all endogenous variables contained in the research model. Thus, there is still around 36.98% variation influenced by other factors outside the model, such as organizational characteristics, company culture, innovation capabilities, market conditions, and other external factors that have not been researched. This percentage shows that the model has a relatively good explanatory ability in explaining the relationship between Green Strategy, Social Impact Orientation, and Sustainable Value Creation.

Furthermore, the results of the Standardized Root Mean Square Residual (SRMR) evaluation showed a value of 0.048 in the Saturated Model and 0.084 in the Estimated Model. Both values are still below the maximum limit of 0.10, thus indicating that the model has a good level of fit (model fit). The relatively small SRMR value indicates that the difference between the observed correlation matrix and the correlation matrix predicted by the model is relatively low, so the constructed model has been able to represent the empirical data well.

The predictive capabilities of the model are also evaluated through Q^2predict values. The results showed that the Q^2predict value for the Social Impact Orientation variable was 0.890, while for the Sustainable Value Creation variable was 0.872. Both values are much greater than zero, suggesting that the model has a very high predictive relevance. Thus, the model is not only able to explain the relationship between variables, but also has a good ability to predict the observed values in the research sample.

Furthermore, the magnitude of the influence of each exogenous variable on the endogenous variable was analyzed using Effect Size (f-square). The test results showed that the relationship between Green Strategy and Social Impact Orientation had an f^2 value of 0.582, while the relationship between Social Impact Orientation and Sustainable Value Creation had an f^2 value of 0.709. Based on Cohen's (1988) criteria, the f^2 value ≥ 0.35 indicates a large effect size. Therefore, both relationships have a strong contribution in explaining changes in endogenous variables.

Overall, the results of the evaluation of the Goodness of Fit Model show that the research model has good quality. This is shown by the R-square value which is in the moderate category, the total R^2 value of 63.02%, the SRMR value that meets the fit model criteria, the Q^2predict value which shows high predictive relevance, and the f-square value which indicates a large effect size. Thus, the structural model used in this study is considered feasible, reliable, and has good ability to explain and predict the relationship between Green Strategy, Social Impact Orientation, and Sustainable Value Creation, so that it can be used as a basis for hypothesis testing and discussion of future research results.

The Influence of Green Strategy on Sustainable Value Creation in MSMEs Coffeeshops in Yogyakarta City

Based on the results of the hypothesis test, a path coefficient value (β) of 0.391, t-statistic of 7.274, and a p-value of 0.000 (< 0.05) were obtained. These results show that Green Strategy has a positive and significant effect on Sustainable Value Creation, so Hypothesis 1 (H1) is accepted. The positive path coefficient value shows that the better the implementation of Green Strategy in MSME coffeeshops in Yogyakarta City, the higher the Sustainable Value Creation will be produced.

These findings show that the implementation of environmentally friendly strategies is not only oriented towards reducing negative impacts on the environment, but is also able to create economic, social, and environmental value in a sustainable manner. The implementation of Green Strategy can be realized through the use of more environmentally friendly raw materials, the reduction of operational waste, the efficiency of energy and resource use, the use of recyclable packaging, and the implementation of business practices that pay attention to sustainability aspects. These various practices are able to improve the company's operational efficiency while strengthening the company's positive image in the eyes of consumers and other stakeholders.

The results of this study are in line with the concept of Natural Resource-Based View (NRBV) put forward by (Hart, 1995), which states that environment-based strategies can be a source of sustainable competitive advantage. Companies that are able to integrate environmental aspects into their business strategies not only benefit from operational cost efficiency, but also improve the company's reputation, customer loyalty, and create long-term value for all stakeholders. Thus, the implementation of Green Strategy is one of the important factors in realizing Sustainable Value Creation.

In addition, the results of this study also support the view of Stakeholder Theory, which explains that companies that pay attention to the interests of various stakeholders through responsible business practices will receive greater support from customers, suppliers, governments, and the public. Such support ultimately contributes to the creation of sustainable value that is not only oriented towards economic gain, but also includes social and environmental benefits.

The results of this study are consistent with previous research that found that Green Strategy has a positive and significant effect on Sustainable Value Creation. The implementation of green strategies encourages companies to produce more sustainable innovations, improve resource use efficiency, strengthen competitiveness, and create long-term value for companies and stakeholders. Therefore, the higher the level of implementation of Green Strategy in MSME coffeeshops in Yogyakarta City, the greater the company's ability to create sustainable Sustainable Value Creation.

The Influence of Green Strategy on Social Impact Orientation in MSME Coffeeshops in Yogyakarta City

Based on the results of the hypothesis test, a path coefficient value (β) of 0.606, t-statistic of 11.789, and a p-value of 0.000 (< 0.05) were obtained (Rahman et al., 2024). These results show that Green Strategy has a positive and significant effect on Social Impact Orientation, so Hypothesis 2 (H2) is accepted. A positive path coefficient value indicates that the better the implementation of Green Strategy in MSMEs coffeeshops in Yogyakarta City, the higher the Social Impact Orientation of the company.

These findings show that the implementation of strategies oriented towards environmental sustainability not only benefits the ecological aspect, but also encourages companies to increase their concern for the resulting social impacts. The implementation of the Green Strategy encourages coffeeshop MSME actors to pay more attention to employee welfare, build harmonious relationships with customers and the surrounding community, support the use of local products, and carry out business practices that are responsible for the environment and community. Thus, green strategies are not only an effort to preserve the environment, but also form the company's orientation in creating social benefits for stakeholders.

The results of this study are in line with the Stakeholder Theory put forward by Freeman (1984), which explains that companies are not only responsible to capital owners, but also to all stakeholders who are influenced by the company's activities. When companies implement Green Strategy, companies will be encouraged to meet stakeholders' expectations of responsible business practices, thereby indirectly increasing Social Impact Orientation. This orientation is reflected in the company's commitment to making a positive contribution to society, maintaining good relations with the surrounding environment, and creating sustainable social value.

In addition, the results of this study are also supported by the Natural Resource-Based View (NRBV) perspective which states that an environment-based strategy can produce organizational capabilities that not only increase competitive advantage, but also strengthen corporate social responsibility (Carroll, 1991). Companies that are able to integrate environmental aspects into their business strategies tend to be more responsive to social issues because environmental sustainability and social sustainability are two complementary dimensions in achieving sustainable development.

The results of this study are consistent with various previous studies that show that the implementation of Green Strategy is able to increase the company's Social Impact Orientation. Organizations that adopt eco-friendly strategies generally have a higher commitment to social responsibility, community engagement, and social value creation for stakeholders. Therefore, the better the implementation of the Green Strategy in MSMEs in Yogyakarta City, the stronger the company's orientation in producing positive and sustainable social impacts for the community and the surrounding environment.

The Influence of Social Impact Orientation on Sustainable Value Creation in MSME Coffeeshops in Yogyakarta City

Based on the results of the hypothesis test, a path coefficient value (β) of 0.644, a t-statistic of 12.350, and a p-value of 0.000 (< 0.05) were obtained. These results show that Social Impact Orientation has a positive and significant effect on Sustainable Value Creation, so Hypothesis 3 (H3) is accepted. The positive path coefficient value indicates that the higher the Social Impact Orientation of coffee shop MSMEs in Yogyakarta City, the higher the company's ability to create Sustainable Value Creation.

These findings show that corporate orientation towards social impact creation has an important role in realizing sustainable value. Coffeeshop MSMEs that are committed to providing benefits to the community not only focus on achieving economic benefits, but also pay attention to employee welfare, customer satisfaction, local community empowerment, the use of products from local business actors, and contributions to environmental conservation. These various forms of social responsibility are able to create better relationships with stakeholders, increase public trust, and strengthen business sustainability in the long term.

The results of this study are in line with the Stakeholder Theory put forward by (Freeman, 1984), which explains that the success of a company is influenced by its ability to meet the needs and expectations of various stakeholders. When a company has a high orientation to social impact, it will receive greater support from customers, suppliers, the community, and the government. This support ultimately becomes a strategic resource that encourages the creation of Sustainable Value Creation, both from economic, social, and environmental aspects.

In addition, the results of this study also support the concept of the Triple Bottom Line introduced by Elkington (1997), which emphasizes that a company's success is not only measured by economic benefits (profit), but also by its contribution to society (people) and the environment (planet). In the context of MSME coffeeshops, orientation to social impact is reflected through various activities that provide benefits to the surrounding community, such as creating jobs, supporting local products, building good relationships with the community, and carrying out responsible business practices. The application of social orientation contributes to the creation of sustainable value and increases the competitiveness of the company.

The results of this study are also consistent with various previous studies that show that Social Impact Orientation is one of the factors that encourage the formation of Sustainable Value Creation. Companies that have a strong social orientation tend to be better able to build long-term relationships with stakeholders, improve organizational reputation, strengthen customer loyalty, and create *shared value* that benefits the company and society. Therefore, the higher the Social Impact Orientation of coffee shop MSMEs in Yogyakarta City, the greater the company's ability to create Sustainable Value Creation in a sustainable manner through a balance between economic, social, and environmental aspects (Rahmawati & Setiawan, 2025).

The Role of Social Impact Orientation Mediation in the Relationship of Green Strategy to Sustainable Value Creation in MSMEs Coffeeshops in Yogyakarta City

Based on the results of the specific indirect effect test, a path coefficient value (β) of 0.391, t-statistic of 7.274, and a p-value of 0.000 (< 0.05) were obtained. These results show that Social Impact Orientation is able to positively and significantly mediate the influence of Green Strategy on Sustainable Value Creation, so Hypothesis 4 (H4) is accepted. This shows that the implementation of Green Strategy not only has a direct influence on Sustainable Value Creation, but also has an indirect influence through increasing Social Impact Orientation.

These findings indicate that the successful implementation of eco-friendly strategies in creating sustainable value does not depend only on environmental management practices alone, but is also influenced by the company's ability to develop an orientation towards social impact. When MSMEs coffeeshop implements the Green Strategy, companies will be more motivated to carry out business activities that benefit the community, such as empowering local workers, establishing harmonious relationships with the community, using products from local suppliers, improving employee welfare, and participating in various social and environmental activities. These various activities ultimately strengthen the company's ability to create economic, social, and environmental value in a sustainable manner.

The results of this study are in line with the Stakeholder Theory put forward by Freeman (1984), which explains that companies that are able to meet the expectations of stakeholders will gain greater legitimacy, trust, and support in carrying out their business activities. The implementation of the Green Strategy encourages companies to not only focus on environmental aspects, but also pay attention to the interests of various stakeholders. This commitment is reflected in the increase in Social Impact Orientation, which further becomes an important mechanism in creating Sustainable Value Creation.

In addition, the findings of this study also support the concept of Natural Resource-Based View (NRBV) which states that sustainable competitive advantage comes not only from the company's ability to manage natural resources efficiently (Barney, 1991), but also from the ability to integrate environmental, social, and organizational aspects into business strategies. In other words, the Green Strategy will provide more optimal results if followed by a strong orientation towards social impact creation. The combination of these two aspects allows the company to create greater and sustainable value for all stakeholders.

Based on the results of hypothesis testing, it is known that Green Strategy also has a significant direct effect on Sustainable Value Creation (H1 received), while indirect influence through Social Impact Orientation is also significant. This condition shows that Social Impact Orientation plays the role of partial mediation. This means that the Green Strategy is still able to increase Sustainable Value Creation directly, but the influence becomes stronger when the Green Strategy is also able to increase the company's orientation towards creating social impact. Thus, Social Impact Orientation is a mechanism that strengthens the relationship between Green Strategy and Sustainable Value Creation.

The results of this study are consistent with various previous studies that stated that companies that integrate environmental strategies with social orientation will be better able to create Sustainable Value Creation than companies that only focus on environmental aspects. In the context of MSMEs coffeeshops in Yogyakarta City, the implementation of Green Strategy accompanied by a commitment to community empowerment, improving employee welfare, caring for customers, and contributing to the surrounding environment can produce more sustainable value. Therefore, Social Impact Orientation has proven to be an important mechanism that strengthens the influence of Green Strategy on Sustainable Value Creation, so that business sustainability can be realized more optimally through a balance between economic, social, and environmental aspects.

CONCLUSION

Based on the research results, it can be concluded that Green Strategy had a positive and significant effect on Sustainable Value Creation and Social Impact Orientation among coffee shop MSMEs in Yogyakarta City. Furthermore, Social Impact Orientation was proven to have a positive effect on Sustainable Value Creation and to mediate the relationship between Green Strategy and Sustainable Value Creation. This indicates that the implementation of environmentally friendly business strategies is more effective in creating sustainable economic, social, and environmental value when supported by a strong social impact orientation. The research model demonstrated good predictive capability based on the R-square, SRMR, Q²predict, and effect size (f²) values, indicating that the model was appropriate for explaining the relationships among the variables. Therefore, coffee shop MSME actors are encouraged to integrate Green Strategy and Social Impact Orientation into their long-term business strategies through environmentally responsible operational practices, enhanced social awareness, and collaboration with governments, communities, and other stakeholders. Future research is recommended to expand the research scope, incorporate other relevant variables, apply longitudinal and mixed-method approaches, and utilize more diverse operational data to generate more comprehensive findings with broader generalizability.

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