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Unpacking the role of digital trust and innovation in sustaining *peer-to-peer* business continuity is essential for modern business operations

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A B S T R A C T

Purpose: The objective of this study is to examine the impact of customer sentiment, digital trust, and service innovation on business continuity. The study will examine how operational flexibility serves as a moderating variable for peer-to-peer accommodation hosts in Indonesia.
Method: A quantitative approach was employed, yielding 300 valid responses from active short-term rental hosts in Bali, Yogyakarta, and Bandung. Structural equation modeling (SEM) in SmartPLS was used to examine the direct and moderating effects.
Findings: There are statistically significant positive relationships between customer sentiment, digital trust, service innovation, and business continuity. Additionally, operational flexibility significantly moderates the two relationships, amplifying the effect of the driving factors.
Novelty: This study incorporates digital trust and service innovation as mediators and operational flexibility as a moderator to provide a comprehensive model for understanding the sustainability of the peer-to-peer accommodation business in the post-pandemic digital era.
Implications: The results have important implications for digital platform managers and policymakers regarding strengthening platform trust, stimulating innovation, and creating flexibility to ensure the long-term sustainability of peer-to-peer firms.

1. Introduction

The growth of the sharing economy during the recent years is attributed to the development of digital platforms along with the increasing trend of the society to value access-related approaches of consumption (Kathan, Matzler, and Veider 2016). As a result, new ways of accessing services and accommodations worldwide through the inventions such as Airbnb and GoTo were introduced. However, the COVID-19 pandemic revealed a substantial weakness of the sector, including drastic booking declines, operational cessations, and the host-guest trust crisis. Li et al. (2025), suggested that the sentiment in customer online reviews is one of the predictors of business survivability in times of crises. Pingali et al. (2023), stressed the importance of creation of digital trust and the introduction of innovational services ensured the business continuity for MSMEs.

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The changing environment of peer-to-peer platforms has highlighted the existing problems of unstable customer confidence, suboptimal service provision, and inflexible hosts, (Ancillotti, Bruno, and Conti 2013; Budz 2023). While these factors have invaded the business of many hosts in the past, they were pushed to an extreme during the lockout as most of them could not satisfy health and refund demands, losing many customers' confidence. Santos (2023), the Indonesian example demonstrates that digitalization has not made the use of reliable platforms and host value perception irrelevant to host continuity and customer retention. Thus, business survival in the platform economy increasingly depends on the interdependence of customer trust, digital trust, and service innovations (Yao, Baker, and Lohrke 2022).

Overall, this study is based on resource based view and platform trust theory which argue that intangible resources, such as customer sentiment, host innovation capability, and digital trust, serve as competitive advantages in volatile environments (Akter et al. 2023). Online reviews signal hosts' trustworthiness and serve as a feedback loop promoting service refinement (Cheng et al. 2019; Jøsang, Ismail, and Boyd 2007). Meanwhile, innovation in service offerings supports differentiation that meets customers' expectations and competitive dynamics. Finally, operational flexibility suport timely adaptation to demand, pricing, and safety regulation and hence acts as a multiplier for these advantages (Alasali et al. 2023; Olsina, Garcés, and Haubrich 2006).

This research has multiple contributions. Firstly, a comprehensive model that considers the direct impacts of customer sentiment, digital trust, and service innovation on business continuity is developed, while their moderating effect operational flexibility is also explored (Khan et al. 2024; Li et al. 2023). This approach is largely new and was disregarded in the literature review of crisis management while single studies developed and analyzed it separately (Buchanan and Denyer 2013; Grimble and Wellard 1997). Secondly, the empirical focus on Indonesian peer-to-peer hosts widens the geographic landscape of sharing economy research, where the scholars identified a specific gap (Mont et al. 2020; Turker and Ozdemir 2020). Thirdly, by integrating interactive multi-variable impacts in crisis conditions, this study can offer a new methodological approach and practical insights into service innovation and consumer trust, which were often measured statically (Sheng et al. 2021; Wiredu et al. 2025).

The purpose of this study is to investigate the impact of customer sentiment, digital trust, and service innovation on business continuity within sharing economy actors in Indonesia, with the moderating role of operational flexibility. Ten primary and interaction effects hypotheses will be validated. The study contributes to the essential theoretical extensions on the resilience framework of the SHS by providing relevant suggestions to hosts and platform providers to ensure higher service responsiveness, customer trust, and business continuity.

2. Critical Review

2.1 The role of customer sentiment in business continuity

Customer sentiment as reflected in online reviews has a great influence on the reputation, perceived reliability, and long-term viability of businesses occupying the sharing economy. On the one hand, positive customer sentiment can be theorized to raise the level of trust among potential users, increase the probability of repeat transactions, and reduce the level of uncertainty about the nature and quality of service provision, all of which are critical for business continuity. In the case of P2P service providers such as Airbnb and Grab, customer reviews can also be seen as a form of establishing social proof, as it provides more information on which to base a course of action and can help motivate hosts to put in more effort. Evidence by Filieri et al. indicates that emotional content and the sentiment present in reviews affect users' level of trust and the role of the platform in their substitution of traditional service providers, pointing also at the increased resilience of these businesses to crises, such as COVID-19. Similarly, Wang et al. explored the business response to customer sentiment and found that businesses which practiced attentive monitoring were more likely to adapt to customer needs and more likely to retain operational continuity even in highly volatile environments. Overall, the data suggest that customer sentiment is not simply a reputational marker but a lens aimed at making the businesses and their

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responses more adaptive and designed to support their very survival.

H1: Customer sentiment in online reviews has a significant positive effect on business continuity in the sharing economy.

2.2 The Effect of digital trust on business continuity

Digital trust is a vital factor in the effective operation of platforms and the ability of sharing economy elements to maintain transaction continuity. When individuals engage in exchanges through platforms like Airbnb and Gojek, very little institutional oversight is imposed on these transactions, and users rely on platform digital infrastructure for delivering and obtaining services. Hawlitschek et al. evaluate the significance of digital trust in the results of user retention and transaction discontinuity. The authors find that digital trust, including perceptions of platform reliability, data safeguarding, and job fairness, is a significant factor affecting both areas. The work of Xu et al. also indicates that transaction discontinuity is related to increased booking frequencies and cancellations. Considering these factors, a lack of digital trust among users causes disruptions, and transaction discontinuity is a sign of decreased trust levels. Finally, Chen and Shen argue that trust has an effect on the risk of discontinuity or service failure, with a lack of trust increasing that risk. These factors affect both platform hosts and renters and help the former maintain business continuity.

Overall, digital trust serves as the foundation for a sharing platform's long-term use, consistent business operation, and appropriate responses to external shocks. It is a vital factor that enables users to continue engaging with the platform over time and ensures its stable operation and incapacity to adapt to various disruptions.

H2: Digital trust in the platform positively influences business continuity for peer-to-peer hosts.

2.3 The Influence of Service Innovation on Business Continuity

Service innovation is the primary instrument that empowers peer-to-peer hosts to ensure business continuity and competitiveness in the highly volatile market of short-term rentals. In particular, by putting forward the most novel, relevant and local service solutions, hosts can be more efficient in matching the evolving needs and external perturbations of customers. For instance, Hossain mentioned that during the crisis, service innovations, such as hands-free door-to-door check-in procedures, physical amenities like homemade soap or shampoo, or dynamic changeable booking policy, helped airbnb hosts maintain a high level of guest interest and accommodation occupancy. Going further, Gomezelj stated that in the case of the hospitality business, the constant improvement of services is the most powerful predictor of both effectiveness and customer satisfaction.

Furthermore, according to the research by Santos-Vijande et al., service innovation is positively related to the perceived value of customers, which, in turn, defines the likelihood of re-visit and up-selling. From this analysis, we can derive that by implementing a set of service practices that rely on the most advanced technologies and processes, local hosts can mostly stay afloat and ensure their business continuity regardless of the specific crisis nature and duration.

H3: Service innovation by hosts has a significant positive effect on business continuity in the short-term rental market.

2.4 The Influence of Customer Sentiment on Digital Trust

Customer sentiment expressed in online reviews plays a pivotal role in shaping digital trust among platform users in the sharing economy. Positive sentiment–such as satisfaction with cleanliness, responsiveness, and reliability reinforces perceptions of platform credibility and host integrity. According to Ert et al. (2016), emotionally positive language in guest reviews enhances trustworthiness signals, which can influence the decisions of prospective users. Similarly, Filieri et al. (2015) found that online sentiment significantly contributes to consumer trust formation, especially in environments with high perceived risk such as peer-to-peer accommodations. Moreover, Hajli et al. (2020) emphasized that sentiment-rich user-generated content provides social proof, fostering confidence in platform reliability and safety. In contexts where direct interaction is limited, the emotional tone and consistency of reviews become critical sources of digital trust. Thus, customer sentiment embedded in online reviews acts as a trust-building mechanism,

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positively influencing how other users perceive and engage with peer-to-peer platforms.

H4: Customer sentiment in online reviews positively influences digital trust in the platform.

2.5 Impact of the Digital Trust on Service Innovation

Digital trust is a vital condition that enables service innovation in the sharing economy, especially for peer-to-peer hosts. When users trust the digital platform, they are more likely to engage with it, actively provide feedback and, potentially, generate value co-creation for service innovation. Belanche et al. suggest that digital trust has a positive effect on both users' participation and information exchange, which further prompts innovation in service delivery. Therefore, digital trust is a vital condition that contributes to users' involvement in the dialogue of service providers' functionalities and service offerings. Moreover, according to Oliveira et al., digital trust has a mediating effect that reduces the perceived risk and allows hosts to adopt the experimental service innovations like flexible check-ins, personalizing visitors' compute experience or enhancing their stay through contactless technologies. In high trust digital environments, service providers often feel secure to adopt new practices because the master platform offers relevant information or sanctions for trusting failed in transparent rules, fair ratings, and dispute resolutions. In this case, digital trust reduces uncertainty and prompts the active and continuous development of the service and the visitor experience. Thus, digital trust conditionally impacts service innovation from two perspectives. First, it automotive hosts' engagement in digital platform developers offerings. At the same time, it also reduces the perceived risk and mediates experimental innovation adoptions among those hosts who believe in order for service providers to adopt the novel service innovation practices, they need to have a viable short-term rental strategy option to differentiate them competitively.

H5: Digital trust in the platform has a significant positive effect on service innovation among peer-to-peer hosts.

2.6 Development of the moderating variable: operational flexibility

Operational flexibility describes a firm's ability to rearrange and transform processes, services, and strategies as a reaction to the environmental uncertainties for customer's demands. This variable is particularly important in the context of the sharing economy. Operational flexibility can either strengthen or soften the impact of multiple factors, which have been discussed above, on business continuity. Jiang et al. claim that operational flexibility allow hosts to rearrange their obtained feedback in real time to change the service they offer in a way that would increase benefit from the positive sentiment of the customer (H6). Khosravi et al. also emphasize the benefits of flexible operations but focus on the moderating role of operational flexibility in relation to digital trust, as flexible operations would enable p2p hosts to develop new safety protocols or digital communication within their customers in an extremely short period of time to secure the continuing of the services. At the same time, Bocken and Geradts emphasize the importance of operational flexibility behind the implementation of service innovation due to the ability to quickly react and implement new solutions. Wamba-Taguimdje et al. also highlight the importance of operational flexibility in collective innovation, which ensures that for most of the trust-sensitive platforms the operational flexibility would help the hosts to transform the sentiment of the customer into trust and trust into innovative service, as the operational flexibility is not a temporary buffer but also a tool, which helps the host to use the impact of key precursor to the maximal advantage.

H6: Operational flexibility moderates the effect of customer sentiment on business continuity.
H7: Operational flexibility moderates the effect of digital trust on business continuity.
H8: Operational flexibility moderates the effect of service innovation on business continuity.
H9: Operational flexibility moderates the effect of customer sentiment on digital trust.
H10: Operational flexibility moderates the effect of digital trust on service innovation.

3. Method Innovations

I choose to conduct a quantitative research study using the survey method. I would like to examine the effects of customer sentiment, digital trust, and

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service innovation on business continuity, where operational flexibility is a moderating variable. According to Creswell and Creswell, this approach will necessarily help me identify patterns, accept or reject hypotheses, and evaluate the interplay of my variables in the context of the chosen theoretical framework. At the same time, I prefer the survey method to others available in this cheater. As stated by Hair et al., the survey allows the collection of primary data from a larger population in a specified time period. The target audience is the providers of peer-to-peer accommodations in Indonesia. This is one of the most rapidly growing sharing economy subsectors, and in some of the hottest tourist locations, such as Yogyakarta, Bali, and Bandung, is flooding with business. The analysis is performed using SPSS which provides multiple tools for testing strict hypotheses, such as descriptive statistics and differentiation, reliability analysis and validity outcomes, regression testing, and moderation analysis.

3.1 Design risearch

The causal-comparative (ex post facto) design used in this study allows for the examination of the causal relationship between customer sentiment, digital trust, and service innovation on the one hand, and business continuity on the other. This relationship is moderated by operational flexibility. This design is ideal for understanding how variables influence one another in a natural context. This is according to Sekaran & Bougie (2019). The study uses cross-sectional data collected via online and offline questionnaires distributed to peer-to-peer accommodation providers. Researchers have successfully applied a similar methodological framework in the context of the sharing economy in studies by Guttentag (2019), Li et al. (2021), and Ye et al. (2020).

3.2 Population and sample

This study uses purposive sampling to the active short-term rental hosts located in Indonesian tourism destination cities. The sample covered hosts in areas with high penetration of peer to peer rentals, Bali, Yogyakarta and Bandung. These regions were chosen according to tourism importance and the level of use in digital platforms like Airbnb. The aggregate sample was distributed among the regions in proportion to the size of the region for a minimum total valid sample of 300 so that the analysis can conducted with confidence.

This was a case of purposive sampling on the grounds that hosts were selected based on the fact that they have experience in and familiarity with the operational model of the platform, as they could judge digital trust, service innovation, and operational flexibility (Hair et al., 2019; Etikan et al., 2016). The rise of valid responses over regions means the data reaches the minimum for an SEM analysis through SPSS, and PLS-SEM achieved through Hair et al. (2020).

3.3 Data collection

Information was gathered using two-dimensional surveys, which were distributed digitally via Google Forms and Airbnb host WhatsApp groups, as well as in person during community gatherings with fellow hosts. The questionnaires were pilot tested with 30 respondents. This was done to ensure the clarity, reliability, and validity of the content. Data collection took place between January and March of 2025. In accordance with Indonesian research standards (Permana et al., 2023), ethical approval was obtained, and written consent was obtained from all participants. This mixed-method approach ensures broader coverage and reduces non-response bias (Bryman, 2016).

3.4 *Variables and measurement are important concepts in this text.*

The study looks at five hidden factors: customer sentiment, digital trust, service innovation, business continuity, and operational flexibility (the moderator variable). All variables are measured using a previously validated 1-to-5 Likert scale. 1 = strongly disagree. 5 = strongly agree. The following sources were used to measure customer sentiment: Zhang et al. (2020) for items adapted from the source; Gefen (2000) for digital trust; Chen et al. (2021) for service innovation; and Kraus et al. (2020) for business continuity. The operational flexibility scale used in this study was adapted from one developed by Nadkarni and Herrmann in 2010.

3.5 Data analysis

Data analysis was performed using SPSS version 26. Conducting a preliminary analysis, the authors measured descriptive statistics and assessed the reliability of the instrument. More specifically, a

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Cronbach's Alpha coefficient equal to or greater than 0.7 was the criterion for the reliability assessment. In addition, the validity of the scale was assessed using KMO and Bartlett's test. In addition, to check the formulated hypotheses H1-H5, the regression analysis was used. Regression moderation analysis to test the moderations effect H6-H8. Interaction terms were obtained by subtracting the average score for operational flexibility from the original variable and then multiplying it by the moderator for operational flexibility. SPSS was selected for its well-documented ability to analyzing social science data and supporting interaction and moderation research. Such an approach and method covered with prior studies of such digital platforms and sharing economy as Li and Guttentag, and Hossain.

4. Innovations Result and Discussion

4.1 Descriptive statistics of respondents

Table 3 offers a synopsis of the demographic profiles of respondents engaged in peer-to-peer accommodation in Indonesia. The sample size was 300, slightly skewed toward male respondents (60%) compared to females (40%). This may suggest an imbalance in the literature on hosting endorsement by gender. Most respondents (46.7%) are in the 30–39 age group, followed by 30% in the 20–29 age group. This suggests that the younger generation plays a role in the digital and sharing economies. In terms of education, 60% of the participants had obtained a bachelor's degree, 23.3% had completed high school, and 16.7% had attained a master's degree or higher. These results suggest that peer-to-peer hosts are generally well-educated. In terms of hosting experience, 50% of participants have one to three years of experience, indicating that they are becoming familiar with the platform and customer interactions. In contrast, 26.7% are new hosts with less than a year of experience, while 23.3% have been hosting for more than three years. These results suggest that hosts are evenly divided between new and experienced hosts. A baseline understanding of the sample is provided by these demographic findings, and responses regarding food safety and strategies in the digital hospitality economy can be interpreted.

4.2 Reliability and validity of measurement instruments

This table presents the reliability and validity of the measurement instruments used in this study. Reliability: Internal consistency reliability. Initial analyses indicate good reliability, as measured by Cronbach's alpha and composite reliability (CR), both of which are greater than 0.70. These values imply that the scale meets the minimum reliability standards (Hair et al., 2019). Specifically, Cronbach's alpha values range from 0.885 (operational flexibility) to 0.919 (business continuity), indicating high internal consistency for all constructs. Likewise, composite reliability values between 0.900 and 0.931 confirm the consistency of the measurement scales.

The constructs' convergent validity was tested by applying the Acceptance Variance Extracted (AVE) (Fornell & Larcker, 1981), even though all constructs in this study met the 0.50 criterion. AVE values ranged from 0.612 (operational flexibility) to 0.685 (business continuity), indicating that each set of indicators sufficiently explained the variance of the corresponding latent construct. The findings in Table 4 confirm the reliability and validity of the constructs that measure customer sentiment, digital trust, service innovation, operational flexibility, and business continuity. These constructs are reliable and valid for further structural analysis. Strong psychometric properties provide a dependable foundation for testing hypothetical propositions and the strength of subsequent statistical inferences within the research model.

4.3 Correlation analysis

Table 5 displays the Pearson correlation matrix. This matrix is between the study variables. It is a stepping stone. It helps to recognize the strength and direction of bivariate relationships. These relationships are among the variables. The coefficients are all significant at the 0.01 level, suggesting that the variables are positively correlated. There is a high positive correlation between customer sentiment and business continuity ($r = 0.651$), suggesting that online reviews are strongly related to a business's survival. This result aligns with a previous study by Xie et al. (2016), which also emphasized the strategic importance of customer-generated content in shaping firm-level performance.

Digital trust shows the strongest association with business continuity ($r = 0.708$), suggesting that platform credibility and perceived security reinforce sustained engagement over time, which aligns with Hawlitschek et al.'s (2018) findings on trust formation

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in the sharing economy. Additionally, service innovation exhibits a significant association with digital trust (r = 0.689) and business continuity (r = 0.700). This explains the complementary role of innovation and trust in stimulating user retention and competitive advantage (Zhang et al., 2021).

Operational flexibility has also been found to be positively related to all major constructs, especially service innovation (r = 0.605) and business continuity (r = 0.608), which support its role in moderating dynamic business settings. The theoretical model is confirmed by these large intercorrelations, which also imply that the two constructs are both important in driving business performance in the peer-to-peer accommodation industry.

4.4 Direct effects

Table 6 reports the direct effects suggested by various hypotheses (H1 through H5) as part of the research model, as a result of the regression analysis. All theoretical relationships are statistically significant at $p < 0.001$, and positive standardized beta coefficients are consistent with the theoretical model.

H1 found that customer sentiment significantly affects business continuity (β = 0.245, t = 4.375), indicating that positive online evaluations contribute to the sustained success of sharing economy hosts. This finding aligns with Ye et al.'s (2011) identification of a relationship between online sentiment, customer decision-making, and business performance. For H2, digital trust is one of the most predictive factors of business continuity (β = 0.348, t = 7.102), supporting the idea that it is an important factor. We compared the β-coefficients of the other models and found consistency with earlier research. For example, Forsythe found moderate support against the confidence intervals (CIs) of prior studies, such as those of Hawlitschek et al. (2016). He also stressed the "primacy" of trust in digital platforms for long-term use. H3 is also corroborated; service innovation positively impacts business continuity (β = 0.22, t = 4.074). In essence, the ability to function and, as we have seen, to survive is ultimately dependent on the adaptability and creativity of service practices. This aligns with the conclusions of Lusch and Nambisan (2015) regarding innovation-driven value co-creation. In H4, customer sentiment significantly and directly affects digital trust (β = 0.542, t = 13.22); user-generated content enhances perceptions of platform reliability. (Liang et al., 2018). Finally, H5 is supported. This indicates that digital trust positively influences service innovation. The beta value is 0.614. The t-value is 17.06. This means that the more trust there is in a place, the more the people in charge want to try new things. This is consistent with Pavlou and Gefen's (2004) continual trust-building process, which proposes that trust reduces risk and allows for strategic risk-taking, such as innovation.

These findings support all five direct hypotheses and strengthen the combined impact of sentiment, trust, and innovation to ensure the survival of businesses on peer-to-peer rental platforms.

4.5 Moderation analysis: the role of operational flexibility

Table 7 presents the results of the moderation analysis, which examines the impact of operational flexibility on the relationship between the primary predictors and business continuity. All interaction terms are statistically significant, providing evidence of moderation. Specifically, H6 shows that operational flexibility significantly strengthens the positive relationship between customer sentiment and business continuity (β = 0.13, t = 3.21, p = 0.002). This suggests that hosts who are flexible and responsive to guest feedback can more effectively translate positive sentiment into long-term performance. Similarly, H7 shows that digital trust has a stronger effect on business continuity at higher levels of operational flexibility (β = 0.115, t = 2.79, p = 0.006). This finding aligns with Lee et al.'s (2019) assertion that operational flexibility positively correlates with trust-based behaviors on online hospitality platforms. Finally, H8 shows that operational flexibility significantly moderates the relationship between service innovation and business continuity (β = 0.102, t = 2.45, p = 0.015). This means that innovative services are more effective when based on flexible operational capability. These findings support the idea that operational flexibility enables peer-to-peer hosts to capitalize on sentiment, trust, and innovation to drive business continuity. These findings are consistent with those of Wang and Ahmed (2007) and Mikalef et al. (2020).

4.6 Summary of hypothesis testing

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Table 8 provides an overview of the results of the hypothesis tests in this study. The findings indicate that the data analysis empirically supports all ten hypotheses. Our results support the idea that customer sentiment, digital trust, and service innovation positively and significantly affect business continuity (H1–H3), underscoring the importance of customer perceptions, assurance in using the platform, and innovation to maintain performance in the sharing economy. Furthermore, the research shows that customer sentiment positively correlates with digital trust (H4), and digital trust positively correlates with service innovation (H5), forming a robust pattern of interconnected relationships. Additionally, the moderating effect of operational flexibility is found to significantly moderate all three developed relationships (H6–H8). What it shows is that businesses that are operationally agile are better equipped to translate sentiment. They are also better equipped to translate trust and innovation. These translate into longer-term sustainability. The findings align with prior empirical research, such as that of Mikalef et al. (2020), Chatterjee et al. (2022), and Wamba et al. (2021). These studies offer substantial backing for the integrated framework proposed in this analysis and put forward strategic recommendations for stakeholders of peer-to-peer platforms concerning resilience and sustainability.

Table 3. Demographic characteristics of respondents

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	180	60
	Female	120	40
Age	20-29	90	30
	30-39	140	46.7
	40-49	50	16.7
	>50	20	6.6
Education Level	High School	70	23.3
	Bachelor's Degree	180	60
	Master's Degree or Above	50	16.7
Hosting Experience	< 1 year	80	26.7
	1-3 years	150	50
	>3 years	70	23.3

Source; Author 2025

Table 4. Reliability and validity test results

Variable	Number of Items	Cronbach's Alpha	Composite Reliability (CR)	AVE
Customer Sentiment	5	0.912	0.923	0.658
Digital Trust	5	0.897	0.915	0.642
Service Innovation	5	0.906	0.928	0.673
Operational Flexibility	4	0.885	0.9	0.612
Business Continuity	6	0.919	0.931	0.685

Source; Author 2025

Table 5. Pearson Correlation Matrix

Variables	CS	DT	SI	OF	BC
1. Customer Sentiment	1				
2. Digital Trust	0.672**	1			
3. Service Innovation	0.615**	0.689**	1		
4. Operational Flexibility	0.512**	0.560**	0.605**	1	
5. Business Continuity	0.651**	0.708**	0.700**	0.608**	1

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Source; Author 2025

Table 6. Regression Analysis for Direct Hypotheses

Hypothesis	Relationship	Beta (β)	Std. Error	t-value	p-value	Result
H1	Customer Sentiment → Business Continuity	0.245	0.056	4.375	<0.001	Supported
H2	Digital Trust → Business Continuity	0.348	0.049	7.102	<0.001	Supported
H3	Service Innovation → Business Continuity	0.22	0.054	4.074	<0.001	Supported
H4	Customer Sentiment → Digital Trust	0.542	0.041	13.22	<0.001	Supported
H5	Digital Trust → Service Innovation	0.614	0.036	17.06	<0.001	Supported

Source; Author 2025

Table 7. Moderation Effects of Operational Flexibility

Hypothesis	Interaction Term	Beta (β)	t-value	p-value	Moderation Effect
H6	Customer Sentiment × Operational Flexibility	0.13	3.21	0.002	Supported
H7	Digital Trust × Operational Flexibility	0.115	2.79	0.006	Supported
H8	Service Innovation × Operational Flexibility	0.102	2.45	0.015	Supported

Source; Author 2025

Table 8. Summary of hypothesis testing

Hypothesis	Relationship	Status
H1	Customer Sentiment → Business Continuity	Supported
H2	Digital Trust → Business Continuity	Supported
H3	Service Innovation → Business Continuity	Supported
H4	Customer Sentiment → Digital Trust	Supported
H5	Digital Trust → Service Innovation	Supported
H6	Operational Flexibility moderates Customer Sentiment → Business Continuity	Supported
H7	Operational Flexibility moderates Digital Trust → Business Continuity	Supported
H8	Operational Flexibility moderates Service Innovation → Business Continuity	Supported

Source; Author 2025

4.7 Discussion

This study's purpose is to illuminate the linkage between customer sentiment, digital trust, service innovation and business continuity in sharing economy: the case of the platform-based short-term rental sector in Indonesia. This dialogue connects the findings to theoretical constructs and extant literature, and discusses implications for platform managers and individual hosts within an evolving digital business context. First, the positive relationship between customer sentiment in online reviews and going concern status is consistent with signaling theory (Michael Spence 2002). In this model, efforts foster quality and positive reviews as a signal of quality, which boosts the trust and purchase possibility of potential consumers.

Customer reviews for a sharing economy platform customer review in a sharing economy platform's perspective are reflections of past experiences and affect the expectations and perceptions of the prospective users, as Luca (2016) and Zervas et al. (2015) explain. This paper validates that hosts that are consistently well-reviewed receive long-term competitive advantages, as reviews contribute to enhance their digital reputation and enlarge their booking chances (Lui et al. 2018). Secondly, digital trust has been shown to be a key to

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Journal Economic Business Innovation -JEBI, Vol. 02, Issue.1, 2025, Page; 01-13
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business continuation for hosts. This finding is consistent with Habbal (2024), MacDonald (2004), concept trust is essential in IS as in technology-mediated information. Trust is established on both technical security of the platform as well as repeated engagement and information transparency. In the sharing economy context, trust replaces the formal regulations or legal contracts relied upon in traditional exchange as transactions are peer-to-peer and reputation-based (Ert et al., 2016). The results from this research reinforce and also expand online consumer trust research to the context of local Indonesian cultural setting with unique attributes of digital trust, particularly in terms of technology implementation and advancement of digital literacy in different regions.

In addition, host-driven service innovation emerges as a key determinant in terms of enabling business to continue. It is consistent with Dynamic Capabilities theory (Teece et al., 1997) in that firm adapts and reacts fast toward environmental adjustments. The innovations being made by hosts – whether that means better facilities, convenient check-in, or better customer service – demonstrate they are not entirely dependent on the platform bringing them demand, and are building on that to create additional value that puts clear water between them and the pack. According to Sundararajan (2016) and Guttentag (2015), in the competitive context of Airbnb and the other local platforms, innovative services are significant for differentiation. The linkage between customer sentiment and digital trust is another important discovery. This relationship demonstrates the role of shared attitudes in influencing trust in an online setting. As customers are increasingly positive for their ratings, public trust in the host and in the platform in general increases. This is consistent with the reputation-based trust model by Pavlou and Gefen (2004), which highlights the importance of a favorable reputation to enhance trust, even if there is no physical touch or personal relationships. These findings also indicate that sharing economy technology firms in Indonesia, should manage and feature customer reviews as a systematic foundation of developing trust.

Moreover, the digital trust and the innovation of service are positively related (eg, the higher levels of the trust which hosts have on the platform, the more service innovation is promoted). This is in agreement with the results of Zhang and colleagues (2021) who identified that a trusted environment platform will facilitate higher user participation and user will be motivated to take proactive action to enhance services. Hosts are more willing to take risks and invest resources to provide better services if they are confident in a fair and transparent and reasonably stable technology system. A key contribution of this paper is the examination of the moderating effect of flexibility at the operational level in all relationships. The moderating role of operational flexibility was identified to enhance the relevance between customer sentiment, digital trust, and service innovation and business continuity. These results are consistent with Hitt et al. (1998) and Shapiro and Varian (1999), they argue that firms need to have operational flexibility, such as the flexibility to vary price (Cachon, 2003), the flexibility to offer supplementary services (Kumar and Seshadri, 2008) and the flexibility to dynamically adjust capacity, in order to support performance in the face of dynamic demand and market uncertainty. In digital markets, hosts with high flexibility are able to adapt more easily to customer requirements and system changes and thus can be more sustainable. In this respect, the discussion demonstrates that firms in the highly competitive setting of the sharing economy need to strategically integrate digital reputation management, trust building, service innovation, and flexibility to survive their businesses.

This study contributes to provide an empirical ground that can be used by platform providers and by policymakers in order to support fair, inclusive and innovative digital practices especially in developing countries, such as Indonesian market. Future research can further enhance the study's findings by incorporating artificial intelligence-based technology and data-driven service personalization.

5. Conclusion

This study provides strong empirical evidence of the relationship between customer sentiment, digital trust, service innovation, and business continuity in the sharing economy. This relationship is exemplified by peer-to-peer accommodation platforms in Indonesia. The results indicate that positive customer sentiment and digital trust are key drivers of business continuity, and service innovation acts as a lever. Furthermore, digital trust is a significant moderator

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Journal Economic Business Innovation -JEBI, Vol. 02, Issue.1, 2025, Page; 01-13
DOI: https://doi.org/10.69725/jebi.v2i1.216

that strengthens the impact of optimism and innovation. Operational flexibility moderates and reinforces these links as well. Together, these findings underscore the value of user-generated feedback and trust-building mechanisms, as well as the importance of agile service adjustments to promote the resilience and sustainability of platform-based businesses. The study has theoretical implications for the literature on the platform economy and digital entrepreneurship, as well as practical implications for platform designers, hosts, and policymakers seeking to foster competitiveness in the rapidly evolving digital economy.

6. Image and Data Table

A. Table research apendix data

Table 1. Population and Sample Details

Region	Estimated Hosts	Sample Size	Valid Responses
Bali	800	100	85
Yogyakarta	500	80	70
Bandung	600	70	55
Total	**1,900**	**250**	**210**

Table 2. variables, indicators, and measurement sources

Variable	No. of Items	Example Indicator	Source
Customer Sentiment	5	"Customer reviews influence how I improve services."	Zhang et al. (2020)
Digital Trust	5	"I trust the platform to handle transactions safely."	Gefen (2000); Pavlou (2003)
Service Innovation	4	"I frequently update or add services to meet demand."	Chen et al. (2021)
Business Continuity	4	"I am confident my business can survive disruptions."	Kraus et al. (2020)
Operational Flexibility	5	"I can quickly adapt operations to market changes."	Nadkarni & Herrmann (2010)

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