

INFLUENCE OF SOCIAL MEDIA AND INNOVATION SPIRIT OF ENTREPRENEURS ON AGRITOURISM BUSINESS IN INDONESIA

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Abstract: In the 21st century, businesses utilize social media (SM) more frequently as a tool. This may be because social media platforms allow firms to improve their competitive position in unique and exciting ways. Consequently, the primary purpose of this study is to investigate the effect of social media marketing capabilities on the performance of Indonesian agritourism businesses. In addition, the study explored the moderating influence of entrepreneurs' innovative capabilities in agritourism businesses. To ensure the validity of the sample, respondents were questioned whether they did business using SM channels or utilized SM marketing tools at the time of data collection. Only companies who indicated they conducted business via SM were taken into account. For data gathering, 450 entrepreneurs were chosen as a representative sample. A self-administered survey questionnaire was utilized to collect the data. The response rate was 51.11 percent, with 233 out of 450 questionnaires returned and appropriate for analysis. PLS software was used to analyze data. Before testing hypotheses, the outer model was examined to determine the reliability and validity of the data, and then SEM was employed to investigate the hypothesized correlations between the variables. SM marketing has shown to be an effective strategy for businesses wanting to boost their competitiveness. The results are consistent with RBV, which stresses the significance of a company's vital resources and competencies, and are as expected.

Keywords: social media, Entrepreneurial, Marketing, Agritourism, Indonesia

1. Background

It has been demonstrated that agriculture-based tourism is an efficient means of alleviating poverty in rural Indonesia. As a result, developing and developed nations with significant agricultural industries are interested in the industry. Agritourism is practiced by a farm or ranch that welcomes tourists for educational, recreational, or other objectives (Liu, 2017). People in Indonesia may become more interested in agritourism due to their rising awareness of the need to protect the environment and their desire to improve rural residents' living standards. The cities of Indonesia are growing in popularity because their economies are rising, and their citizens are learning more about healthy lifestyles. This has led to a rise in demand for organic products and rural tourism.

Consequently, more and more people are moving to rural areas. Approximately 1.7 million farms and agritourism businesses were operating for leisure reasons in 2012 (Seow, Choong, & Ramayah, 2021). These businesses employed 6.9% of the entire rural workforce. Because more than 800 million tourists visit rural Indonesia annually, these enterprises generate over 240 billion yuan. In 2016, the number of visitors to Indonesia climbed to 2 billion. This is expected to produce 570 billion yuan and benefit 6.72 million rural Chinese families.

Individuals that visit a working farm or ranch for enjoyment, education, or relaxation are engaged in

agritourism. Typically, these are farm recreational activities (Naderi, Nasrolahi Vosta, Ebrahimi, & Jalilvand, 2019). In recent years, industrialized and developing nations have shown a growing interest in agritourism as an economic development strategy. Agritourism sprang from environmental initiatives and the concerns of civilizations that created mass tourism before agritourism (Mugauina et al., 2020). Agritourism is "activities that take place on the land and the creation of employment that complement the daily agricultural operations that continue, to varying degrees, on the property." By utilizing the spare time and occasionally paid labor of farm families, these activities should be viewed as a process that adds services to the agricultural commodities and intangible values already present on rural holdings (landscape, clean air, etc.). This method raises the value of rural assets by adding services to their existing agricultural commodities and intangible value (Bustamante, 2019). Agritourism is a type of tourism associated with agriculture. According to Žafran and Kaufmann (2022), this type of tourism is rarely referred to as rural or farm tourism because it allows guests to learn more about agriculture and brings attention to remote rural places. Currently, agritourism is frequently promoted to preserve agricultural capital due to its economic and social benefits (Montefrio & Sin, 2021). Agritourism in Italy, which supports both agriculture and environmental education, has halted the expansion of farming into protected areas (Du et

al., 2018). In a nutshell, agritourism development aims to promote tourists' awareness and comprehension of environmental protection and improve the quality of life for farm dwellers. This is especially important in developing countries where agriculture plays an essential role in rural development (Linh, Long, Chi, Tam, & Lebailly, 2019). Since the 1990s, the People's Republic of Indonesia has claimed to have contributed to the annual influx of millions of tourists to Shanghai (Nyíri, 2020). Agritourism includes activities such as alternative farming methods, recreational fishing, and hunting areas, rural motels and restaurants, farmer's markets, local handicrafts, and home-based businesses that aim to improve the level of living of the local population (Yang et al., 2021).

In the 21st century, businesses utilize social media (SM) more frequently as a tool. This could be because SM platforms enable enterprises to strengthen their competitive position uniquely and compellingly. This is one of the key factors contributing to SM's growing popularity (Obermayer, Kóvári, Leinonen, Bak, & Valeri, 2022). Due to SM, traditional marketing tactics that need one-way information transmission are becoming less successful. Consequently, the significance of SM in marketing has expanded (Appel, Grewal, Hadi, & Stephen, 2020). SM marketing can build brand awareness, spread expert knowledge and information, discover and keep consumers, conduct low-cost marketing initiatives, and communicate engaging messages to customers (Cheung, Pires, & Rosenberger, 2020; Sangwan & Agarwal, 2019).

SM also enables customers to assist in the transmission of knowledge through social media platforms (Weismueller, Harrigan, Wang, & Soutar, 2020). Small and medium-sized organizations (SMEs) engage in several unproductive SM marketing initiatives even though SM marketing presents them with new opportunities and benefits. This remains true even if SM marketing offers businesses new chances and benefits (Lee & Lee, 2020). Several studies have investigated the hurdles that impede small and medium-sized enterprises (SMEs) from utilizing social media marketing. Some of these obstacles are not having a defined strategy, technology challenges, not knowing what opportunities SM offers, and not knowing how to use SM (Toivonen et al., 2019). It is difficult for a firm to maintain a positive public image when customers can communicate their dissatisfaction via multiple SM channels, especially when they are dissatisfied with the company's products or services (Juanamasta et al., 2019). To improve a company's performance, it is

essential to comprehend how to create and implement an SM marketing strategy.

Despite the growing interest in SM marketing research, a comprehensive definition of SM marketing competency has not yet been developed. There are conceptualizations of SM competence and skill in the current research corpus. However, these conceptualizations appear to be limited in scope. The great bulk of research in this sector focuses on social media usage in general, as opposed to organizations' specific capacities to use SM for marketing (Castillo López, Llorens Montes, & Braojos Gómez, 2021; Muninger, Hammedi, & Mahr, 2019). For instance, SM capability may be defined as "firms' ability to utilize and exploit SM for commercial goals." Other SM capability definitions comprise: Pratono (2018) discovered that the conceptualization of SM competency is determined by three formative first-order constructs: the capacity to use Facebook, the ability to use Twitter, and the capacity to use a blog. In addition, most prior research examined customer attitudes and actions toward SM marketing rather than the significance of a company's level of SM marketing competency (Wiese & Akareem, 2020). Enterprise capabilities and how they enhance competitiveness, business practice, and performance are drawing an increasing number of academics. Scholars have highlighted organizational resources as a source of growth, competitive advantage, and innovation (Wiese & Akareem, 2020). Variations in business performance are not due to differences in the industry but rather to differences in strategic capabilities (Annarelli, Battistella, & Nonino, 2020). These strategic qualities can be evaluated by seeing how other businesses utilize their resources and abilities (Mikalef, Boura, Lekakos, & Krogstie, 2019). Capabilities and resources are not interchangeable concepts. For firms to survive in the market, tangible and intangible assets alone are insufficient. Firms must be inventive and continuously reinvent themselves to keep up with the needs of changing markets, revolutionary technological developments, and creative business strategies (Andrişan & Modreanu, 2022). It is essential to be able to organize and change readily available materials. Literature investigates a large spectrum of capacities in their various manifestations. This investigation focuses on the characteristics of dynamism, innovation, and enterprise. According to Kangas, Lazarevic, and Kivimaa (2018), competencies can be associated with particular business units and functions.

Dynamic capabilities refer to a company's capacity to

maintain a competitive advantage despite elevated levels of uncertainty and change (Haarhaus & Liening, 2020). When navigating dynamic settings, it is advantageous to possess emotional abilities. According to Schoemaker, Heaton, and Teece (2018), dynamic talents include the ability to recognize opportunities to meet customer expectations, take chances to mobilize resources and create value, and sustain transformational change. Recent research has generated numerous distinct theoretical analyses of dynamic capacity. However, there is a connection between emotional skills and strategic success in a developing market like Vietnam, and we do not fully appreciate this connection. Vietnam is one such rising market. When we discuss a company's innovation capacity, we refer to its capacity to cultivate and arrange its diverse capabilities in a manner advantageous to the company (Dyduch, Chudziński, Cyfert, & Zastempowski, 2021). A company's innovation capacity enables it to effectively integrate various crucial skills and resources to foster innovation within the organization. There has been relatively little study on the relationship between entrepreneurial qualities and the success of new enterprises (Haarhaus & Liening, 2020). Despite this, there is a lack of consensus about the concept of entrepreneurial potential (Andrişan & Modreanu, 2022).

The resource-based perspective of businesses (Barney, Ketchen, & Wright, 2021) was utilized to support the effect of SM marketing competency on performance in the theoretical framework of this study. This perspective was used to support the influence of SM marketing proficiency on corporate performance. This perspective was utilized to help the impact of SM marketing skills on firms' success. This study aimed to evaluate whether enterprises in a developing nation with a high level of experience in SM marketing concerning these five factors tend to improve their customer relationships and financial performance. The inquiry mainly focused on establishing the financial health of these companies. Examining the relationship between the various qualities of SM marketing capabilities and performance, this study aimed to investigate whether or not distinct aspects of capabilities tend to explain performance in a manner that differs from one another. The researchers wished to determine whether or not certain components of innovation capacities managed to explain specific aspects of performance. In addition, the study studied the moderating effect of entrepreneur innovation capabilities on the link between SM marketing capabilities and agritourism business performance.

2. Hypothesis Development

Resource-based view of the firm:

The resource-based view (RBV) of Barney et al. (2021) is used as the theoretical framework to illustrate how SM skills affect an organization's success. RBV emphasizes the relationship between an organization's internal characteristics and performance (David, 1991). According to this hypothesis, the quality of a company's resources is directly related to its performance. A corporation's ability to gain a competitive advantage depends on its ability to identify, integrate, and utilize valuable resources (Yang et al., 2021). This capability depends on the company's ability to achieve a competitive advantage. Having resources that meet these four criteria raises the probability of preserving a competitive edge but does not guarantee it. Generally, firms with these skills may utilize their processing resources for strategic projects more efficiently than their competitors (Obermayer et al., 2022).

Regarding the usage of SM for business, Appel et al. (2020) stated that internet technology is a resource that competitors can easily copy and is insufficient to give a company a competitive advantage. On the other hand, experts have indicated that organizations may be able to enhance their marketing capabilities by integrating Internet technology with their current competencies. According to Cheung et al. (2020), technology cannot improve corporate performance unless it is integrated with other firm-specific resources and incorporated into the procedures and conventions of the company. Based on these notions, this study proposes that corporations can develop SM marketing capabilities by combining SM technology with the essential marketing competencies of other businesses. With these qualities, organizations can improve their performance. Competence in SM marketing is viewed as a marketing-specific competence dependent on incorporating and utilizing an organization's core resources (Sangwan & Agarwal, 2019). According to RBV, this marketing-specific talent is a rare and difficult-to-display and -replicate ability (Weismueller et al., 2020). Therefore, organizations with a deeper understanding of SM marketing may utilize their resources and conduct SM marketing activities more efficiently than their competitors. This leads to enhanced performance (Lee & Lee, 2020). The following section will examine the relationships between the many methods a business may employ in SM marketing and its overall performance.

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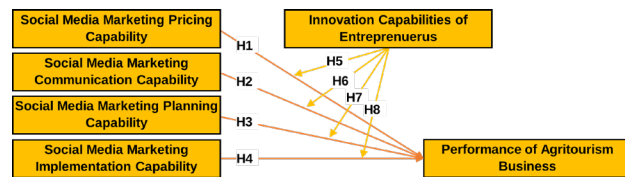


Figure 1: Conceptual Framework

The pricing capabilities and general performance of SM-based businesses are discussed. Strong pricing skills enable a business to understand the relationship between a product's price and how consumers perceive its value (Toivonen et al., 2019). Remarkably, the pricing of products and services is related to how customers perceive the value of such commodities, which influences customer satisfaction and loyalty (Fornell & Larcker, 1981). Firms with a high capacity to use SM technology to monitor competitors' pricing strategies and consumers' perceptions of the value of their products can establish appropriate pricing strategies and promptly communicate price modifications to customers via SM platforms. This allows businesses to maintain competitiveness in their respective markets (Fornell & Larcker, 1981). In this way, a company's pricing strategy influences how customers perceive the value of the company's goods, which can increase customer happiness and loyalty (Fornell & Larcker, 1981). As a result, enterprises' performance may improve, as indicated by the following hypothesis.

H1: SM pricing capability positively associates with the performance of the Agritourism Business.

According to Žafran and Kaufmann (2022), an effective marketing communication plan can help a business's products or services achieve more favorable consumer perceptions, which in turn assists the company in establishing a positive and distinctive brand image. In addition, Montefrio and Sin (2021) discovered that organizations whose staff with superior marketing communication skills had a more significant impact on customers' purchase decisions. According to Du et al. (2018), an effective marketing strategy entails utilizing many SM platforms to spread information and influence how customers perceive a particular product, business, or organization. This conclusion results from the author's research, which led to the discovery. Consumers can express their admiration for their favorite brands through social media sites like Twitter, YouTube, and Facebook. The capabilities of various SM platforms are proportional to their defining characteristics. Utilizing SM to influence how customers perceive a product's or service's value can yield a favorable and distinctive brand image. As a

direct result, the percentage of customers who positively perceive the organization's products and services may increase. It is now easier than ever for businesses to develop client relationships and increase profits. As a result, enterprises' performance may improve, as indicated by the following hypothesis.

H2: SM marketing communication capability positively associates with the performance of Agritourism Business.

Linh et al. (2019) claim that an effective marketing strategy is one of the most crucial actions for any company seeking to generate revenue. Marketing planning efforts aid businesses in recognizing and adjusting to change, which helps the success of businesses. Consequently, organizations adept in marketing planning can create and implement the most effective plans anytime the external environment changes (Nyíri, 2020). To increase consumer happiness and enhance the quality of their connections, businesses must develop SM strategies that are personalized to their target audiences and utilize all available marketing techniques. With this competency, you can efficiently distribute, segment, and target your items via SM channels (Yang et al., 2021). Due to these features, SM platforms can be utilized to segment the market and deliver current consumer insights based on customers' real-time activity and interactions. This data can be gathered by monitoring client interactions and activities (Obermayer et al., 2022). With these capabilities, businesses can discover new ways to strengthen their interactions with customers, thereby boosting their bottom line. As a result, enterprises' performance may improve, as indicated by the following hypothesis.

H3: SM marketing planning capability is positively associated with Agritourism Business's performance.

This study evaluated the hypothesis that SM marketing implementation skill is associated with translating an SM marketing strategy into actions and the capacity of a company's resources to deploy SM marketing formulation choices successfully. These are the sources for these conclusions: (David, 1991). This ability also includes the skill to respond effectively to unforeseen challenges and opportunities while implementing a marketing plan. According to O'Cass and coworkers, marketing implementation skill has been correlated with customer-centric performance measures, such as acquiring new customers and retaining existing

consumers. According to prior marketing studies, using this knowledge, firms may be able to deliver value to their consumers and differentiate their products and services (Yang et al., 2021). This facilitates the acquisition of new clients and the retention of existing ones, according to Obermayer et al. Consequently, organizations with a strong understanding of SM marketing are anticipated to perform better in their client engagements. Businesses with a high level of proficiency in this field may find opportunities in other industries, such as agritourism. As a result, enterprises' performance may improve, as indicated by the following hypothesis.

H4: SM marketing implementation capability positively associates with the performance of Agritourism Business.

2.2 Moderation of Innovation Capabilities of Entrepreneurs

Innovation suits a business's competitiveness, growth performance, and price-to-book ratio. (Appel et al., 2020). To innovate and gain a competitive advantage, firms must deploy, mobilize, integrate, and dynamically align their resources and capabilities (Cheung et al., 2020). In their study of Chinese businesses, Sangwan and Agarwal (2019) found that creative talents affected export performance. They arrived at this conclusion after determining that an increase in exports is associated with nearly all indices of innovative aptitude, except manufacturing capacities. According to Weismueller et al. (2020), market orientation and learning positively influence the creative power of small and medium-sized enterprises. According to Lee and Lee (2020), innovating is essential for firms to efficiently adapt to a constantly changing environment and achieve a competitive edge.

Studies (Juanamasta et al., 2019; Toivonen et al., 2019) have shown that organizations with more robust innovative capacities beat their competition, earn better profitability, and remain on the market for a long. Diverse academics believe that several types of innovation skills, such as the capacity for marketing, product, and process innovation, are essential for a company's success (Muninger et al., 2019). In addition, creative abilities positively affect a person's financial performance. According to research, technical and product innovation in manufacturing has a favorable link with total factor productivity increase in the short-run and total output growth in the long-run, according to Castillo López et al. (2021). In addition, increasing the technology and innovation management rate

and R&D activity could reduce the marginal cost of conducting R&D, leading to an increase in the rates of both activities. Enhanced management of technology and innovation may give support for R&D subsidies.

The academic literature has examined entrepreneurial potential from two perspectives: the institution and the individual. Entrepreneurial traits have been found to impact the success of new enterprises and innovative concepts directly. According to the results of their study, the entrepreneurial aptitude characteristics of excitement, honesty, commitment, leadership and management competence, and learning ability all had a beneficial effect on the attainment of creative objectives. Moreover, there is a considerable correlation between entrepreneurial aptitude characteristics and the success and experience of newly founded enterprises. According to Pratono (2018), entrepreneurial abilities contribute to businesses' long-term success. According to Burgelman and Grove's research, entrepreneurial traits affect a company's culture, which results in a competitive advantage.

Entrepreneurial aptitude is described by Wiese and Akareem (2020) as the capacity of an entrepreneur to raise the competitiveness and success of a business as a direct outcome of the entrepreneur's decisions and actions. The ability for rapid adaptation is enhanced by entrepreneurial activities (Wiese & Akareem, 2020). Very little empirical research has been conducted on the capabilities of entrepreneurs. The author believes that additional research into the function of entrepreneurial potential in creating exceptional performance in various contexts will throw light on this subject and provide additional insights.

To be truly creative, one must be willing to accept a substantial degree of risk and live with an element of uncertainty to achieve their goals. In recent years, innovation has grown more complex and less predictable due to rising levels of competition, accelerated technical improvement, and increased customer demand (Annarelli et al., 2020). According to Mikalef et al. (2019), the economics of innovation is fraught with unquantifiable uncertainty. Andrişan and Modreanu (2022) believed that the entrepreneur's responsibility was to deal with uncertainty. However, Kangas et al. (2018) argued that uncertainty was the driving factor behind the invention of creative technologies.

Even if the majority of studies conducted so far support Knight's position, it remains the entrepreneur's obligation to tackle the risks and ambiguities. Throughout producing

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anything new, innovators and inventors are confronted with several possible risks and uncertainties (Haarhaus & Liening, 2020). There are unknown dangers present. Even though most business decisions are made under uncertain conditions, the risk is frequently quantified in terms of monetary value. They do not display servile behavior. Innovation depends on entrepreneurs' ability to manage varying degrees of risk and uncertainty. Entrepreneurs and businesses have dynamic capabilities shaped by the knowledge and experiences they learn during the innovation process (Schoemaker et al., 2018). Entrepreneurial capacity consists of an entrepreneur's actions and activities that contribute to changing and exploiting a company's capability portfolio, firm competitiveness, and performance. Entrepreneurial engagement enhances a person's capacity for rapid adaptation. Few empirical studies examine the entrepreneurial skills of individuals. The author hypothesizes that future research will provide light on how entrepreneurial ability contributes to the emergence of exceptional performance in various contexts and that this hypothesis will be supported. Innovation is inextricably intertwined with danger and uncertainty.

Additionally, greater competition, rapid technological development, and rising customer demands make innovation more challenging and less predictable (Dyduch et al., 2021). This leads to a more significant degree of risk and uncertainty for the entrepreneur. The innovation economy is characterized by "incalculable uncertainty. While Akhmadeev, Morozova, Voronkova, and Sitnov (2019) stated that the entrepreneur's role in uncertainty was managing it, Drummond, O'Toole, and McGrath (2020) argued that uncertainty was the engine that promoted inventive dissemination.

Although most existing research agrees with Knight, risks, and uncertainties present opportunities for the entrepreneur responsible for managing them; throughout the innovation process, business owners face several dangers (known risks) and uncertainties. Although expenses are frequently used to measure risks, the vast majority of decisions in the realm of entrepreneurship must be made in unknown conditions (Mathur, 2019). Entrepreneurs are not passive actors. Instead, the entrepreneur's ability to manage varied risks and uncertainty is the most critical component in determining the innovation process's success. It emphasizes the dynamic capacities of business owners and organizations, which are influenced by the information and experience gained during the innovation process (Venciūtė, 2018).

Most research on tourism entrepreneurship has centered

on the dichotomy between "lifestyle" and "growth-oriented" entrepreneurs. This study used entrepreneurial risk attitudes to differentiate between the two types of tourism entrepreneurs (Tarsakoo & Charoensukmongkol, 2020). The first group is more concerned with enhancing their quality of life than increasing their businesses. In contrast, the second group is more willing to take chances and grow their businesses. This distinction is highly significant. In the majority of these studies, Rahmat and Perengki (2021) studied various aspects of the "people" and "environment" of entrepreneurs (e.g., startup motivation). Still, they did not measure the creativity of these entrepreneurs or the risks and uncertainties involved with their endeavors. Several conference attendees and presenters brought attention to lifestyle entrepreneurs' risks. They focus on specific market niches, making them susceptible to quick copying, particularly at the hands of (large) corporations that are better networked, have more resources, and can quickly reproduce prominent essential achievements. According to RaedHanandeh, Ahmad Hanandeh, Rami Hanandeh, and Sakher (2021), one of the significant risks individuals face during their employment is the company's survival. This is because people's enterprises become an integral part of their lives and families. Tümer, Aghaei, Öney, and Eddine (2019), who studied a former communist economy in transition, found that entrepreneurs in the tourism industry were able to identify and respond to enticing niche markets in an unstable (uncertain) environment, resulting in more innovation and risk-taking capacities. They identified a correlation between this and increased risk-taking ability. Despite the critical role of risk and uncertainty in developing new commodities, the expansion of specialized markets, and the diversity of tourist destinations, few attempts have examined how tourism entrepreneurs perceive and manage risk and uncertainty. As a result, we propose the following hypothesis:

- H5:** Innovation Capabilities of Entrepreneurs moderates the relationship between SM marketing pricing capability and Performance of Agritourism Business.
- H6:** Innovation Capabilities of Entrepreneurs moderates the relationship between SM marketing communication capability and Performance of Agritourism Business.
- H7:** Innovation Capabilities of Entrepreneurs moderates the relationship between SM marketing planning capability and Performance of Agritourism Business.
- H8:** Innovation Capabilities of Entrepreneurs moderates

the relationship between SM marketing implementation capability and Performance of Agritourism Business.

3. Methodology

This study aims to explore the effect of SM marketing capabilities on the performance of agritourism enterprises in Indonesia, with the innovation capabilities of entrepreneurs playing a moderating role. Due to the lack of an official list of companies conducting business via SM, the information was gathered using a method of convenience sampling. At the time of data collection, to confirm the sample's validity, respondents were asked whether they conducted business using SM channels or utilized SM marketing tools. Only organizations that indicated they showed their business activities through SM were considered. A sample of 450 entrepreneurs was chosen for the collection of data. To acquire the data, a self-administering survey questionnaire technique was used. Only 233 out of 450 questionnaires were returned and suitable for analysis, producing a response rate of 51.11 percent. The variables' measurement scale was modified from the existing literature. Adapted from Tarsakoo and Charoensukoongkol, the question statements for the SM marketing capabilities were comprised of statements about the SM marketing capabilities (2019). The items for company performance were also derived from Tarsakoo and Charoensukmongkol's

research (2019). On a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), each item was assessed (strongly agree). The data were analyzed, and hypotheses were tested using smart-PLS statistical software.

4. Analysis and Discussion

For data analysis, PLS software was utilized. Before testing hypotheses, the outer model was evaluated to determine the data's reliability and validity, and then SEM was used to examine the proposed correlations between the variables.

4.1 Reliability and Validity of Construct

The variables' reliability and validity were evaluated using an external model assessment. The outside loadings, alpha value, and composite reliability (CR) values assessed the reliability. According to the advice of Hair et al., the value of lodgings should be at least 0.50. (2014). To establish the dependability of the data, the alpha and CR values should be more than or equal to 0.70. The validity of the variables is checked in two stages. The first is convergent validity, which may be determined using the Average Variance Extracted (AVE), whose traditional value is 0.5 or more (Hair et al., 2014). The second is the discriminant validity, which may be determined by the correlation value and HTMT ratios (Fornell & Larcker, 1981).

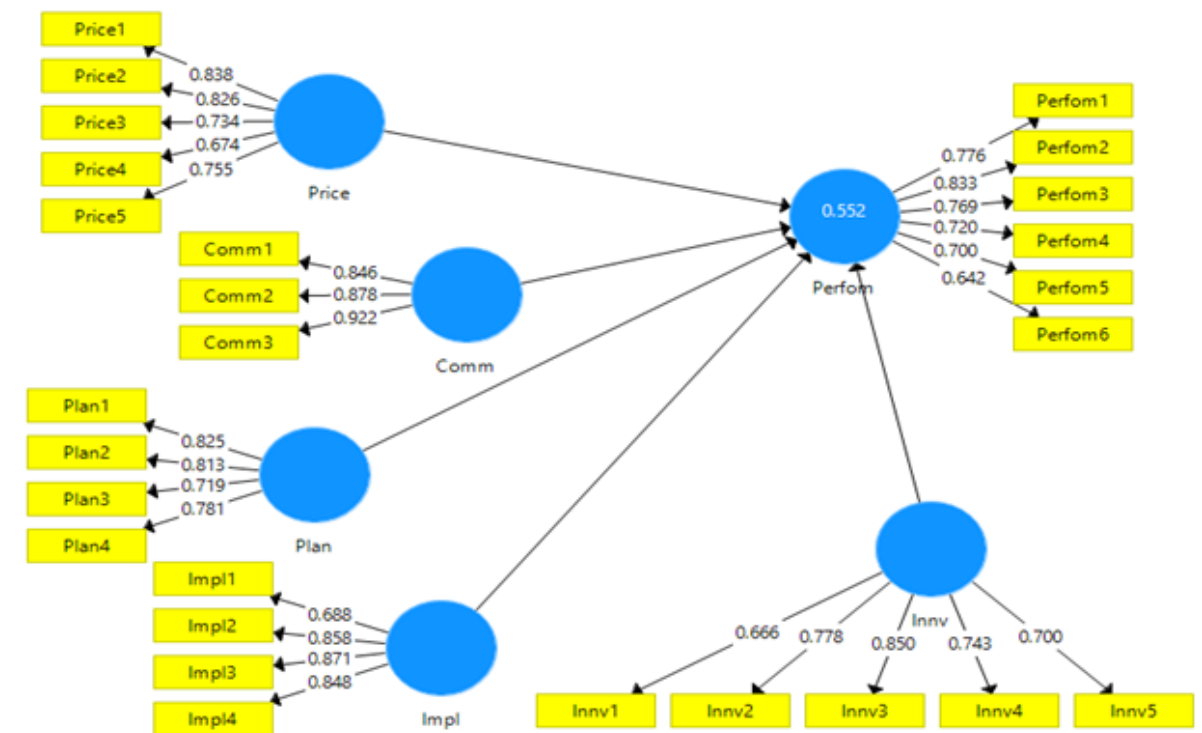


Fig. 2 Measurement Model Assessment.

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pricing capability and Agritourism Business Performance in Indonesia. However, it does not mitigate the association between SM marketing implementation capability and agritourism business performance.

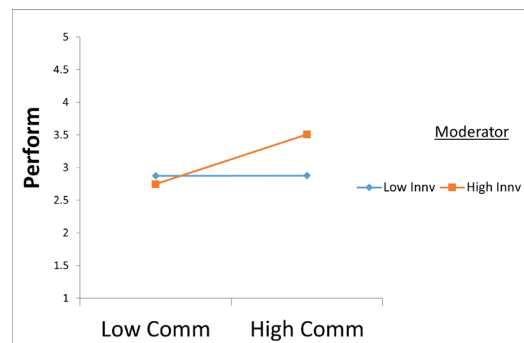


Fig 4: Moderation of Innovation Capabilities of Entrepreneurs between SM marketing communication capability and performance of Agritourism Business.

Results of moderating analysis show that Innovation Capabilities of Entrepreneurs significantly mediate the relationship of SM marketing communication capability with the performance of Agritourism Business with a t-value of 2.559 and $\beta=0.189$. Figure 3 illustrates that the Innovation Capabilities of Entrepreneurs strengthen the positive influence of SM marketing communication capability on the performance of Agritourism Business.

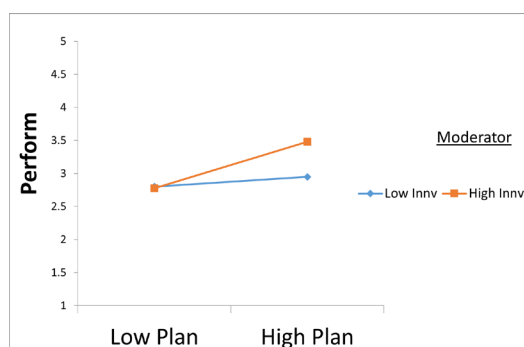


Fig 5: Moderation of Innovation Capabilities of Entrepreneurs between SM marketing planning capability and performance of Agritourism Business.

Analysis shows that Innovation Capabilities of Entrepreneurs also significantly moderates the relationship of SM marketing planning capability with the performance of Agritourism Business with a t-value of 2.896 and $\beta=0.139$. Figure 4 illustrates that the Innovation Capabilities of Entrepreneurs strengthen the positive influence of SM marketing planning capability on the performance of Agritourism Business.

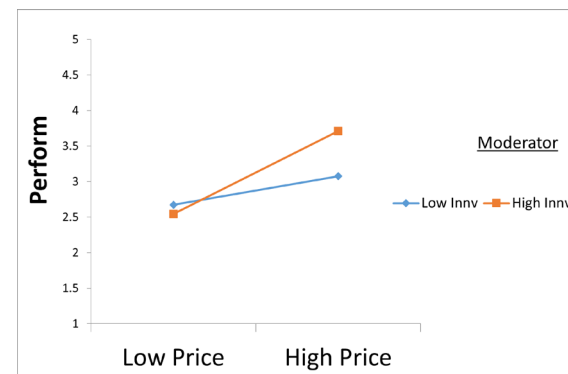


Fig 6: Moderation of Innovation Capabilities of Entrepreneurs between SM marketing pricing capability and performance of Agritourism Business.

Results show that Innovation Capabilities of Entrepreneurs also significantly moderate the relationship of SM marketing pricing capability with the performance of Agritourism Business with a t-value of 2.714 and $\beta=0.190$. Figure 5 illustrates that the Innovation Capabilities of Entrepreneurs strengthen the positive influence of SM marketing pricing capability on the performance of Agritourism Business.

5. Discussion

This study aimed to examine whether or not an organization's ability to make effective sales via social media has any bearing on its overall success. The five spanning capabilities from Imran and Arjumand's (2020) strategic framework were initially applied to consider SM marketing capacity. Based on the acts involved in SM marketing, the talent of SM marketing was subdivided into five distinct areas. In addition, it was demonstrated that expertise in SM marketing has a direct correlation with two business metrics: revenue growth and profit margin expansion. 2022 (Sombultawee & Wattanatorn) According to the findings, the ability to create products utilizing SM and the ability to execute marketing strategies using SM have a favorable and significant impact on the performance of customer relationships and financial performance. The positive influence that these two skill components have on one another may substantially impact the operation of a business. The capacity of businesses to use SM to generate new products could, as a first step, enable businesses to use information obtained from SM to design new products that are suited to the demands of customers, resulting in greater customer satisfaction and retention rates (Dung et al., 2020). Alternatively stated, the capacity to deploy SM marketing tactics that engage directly with customers could enable businesses to better respond to the

demands and preferences of their customers, which could also indicate a more significant possibility of enterprises earning tremendous financial advantage.

The ability to communicate effectively through SM marketing was found to have a significant positive correlation only with the performance of the company's customer relationships. In contrast, expertise in SM planning was found to have a significant positive correlation only with the performance of the company's finances. These outcomes can be explained, at least in part, by the fact that these two abilities lay greater emphasis on different performance facets. Since one of the most critical aspects of SM marketing is the ability to communicate with customers through various SM platforms to cultivate positive relationships with those customers, the results appear to have a more significant impact on the company's customer relationships than on its financial performance (Katsikeas et al., 2019; Pratono, 2018; Hinterhuber & Liozu, 2017). It is not uncommon for the results of a company's expertise in SM planning to correlate more closely with the company's financial success than with its customer relationship management performance (Valos et al., 2017; Keller, 2013).

The research also finds evidence to support the idea that a significant relationship exists between SM pricing expertise and the two success measures of a company. It may be difficult for enterprises selling on SM to compete in terms of pricing, given that items sold on SM may have comparable prices. In addition, because it is simple to compare the pricing of various things sold via SM, firms may not be able to establish prices that are distinct from those of their competitors. In addition, it is likely that SM is not an effective medium for communicating value propositions across all the different types of sample firms studied. (Lindberg-Repo & Gronroos, 2004; Anshari et al. 2019) The study outcomes indicate that for a company to stay ahead of its competitors, it must be able to advertise itself effectively. SM marketing has shown to be a beneficial tactic for organizations seeking to increase their level of competition (Alzoubi & Inairat, 2020). Consistent with RBV, which emphasizes the relevance of an organization's critical resources and capabilities, and as anticipated, the outcomes are as expected (Barney, 1991). The findings support the premise that firms must make efficient use of technology to establish competitive strength that enables them to triumph over other businesses in their field; it is not enough to embrace technology (Vencit, 2018).

6. Implications

Knowledge of SM marketing capabilities can aid entrepreneurs in the agritourism industry in promoting their firms and achieving the necessary performance level, according to this study's findings. The outcomes of this study provide companies with assistance. Even though this study concluded from a sample of Chinese businesses, the advice may also apply to corporations in other Asian nations increasingly employing SM as a marketing technique to increase corporate success. Given the poor success rate of SM firms and the constraints that prevent small businesses from fully benefiting from SM marketing, business owners must grasp the significance of social marketing capabilities. These abilities are necessary to properly implement SM marketing strategies to enhance the organization's performance. The proliferation of SM enterprises in Asian countries has offered numerous opportunities for organizations to capitalize on this market trend. These opportunities are available on every continent. To gain a competitive advantage in this field, one must develop their marketing talents. This is due to the higher level of competition. Businesses in the Asian region must be aware that SM as a marketing channel without a comprehensive understanding of integrating SM into marketing operations is insufficient for effective competition. If a company chooses not to design or implement its SM initiatives internally, it may employ SM marketers, marketing consultants, or other specialists to build and implement the campaigns. For instance, corporations may use SM to conduct consumer surveys to discover more about their customers' preferred products. The companies might then use this knowledge to create new products or improve existing ones. In addition, the data suggest that the innovation capabilities of entrepreneurs play an essential role in determining the relationship between SM marketing and agritourism business performance.

7. Recommendations for Future Studies

The results of this study contribute in several ways to the corpus of previously conducted research on social media usage in corporate settings. We have developed SM marketing competencies that can be used in various marketing operations to increase a company's competitiveness. Day's (1994) strategic framework is the basis for these competencies. This description is exhaustive and packed with specifics. Second, the findings of this study contribute to a growing body of evidence indicating that the usage of SM marketing may be associated with multiple aspects of a company's performance. This is significant for two reasons. Each of these studies contributes to prior

research, most of which had a limited perspective on SM marketing. By addressing SM marketing capabilities as multiple components of marketing capabilities, researchers can understand how SM can be used in various marketing activities. Future research on SM marketing may study how this multidimensional assessment of SM marketing skills affects other performance outcomes to appreciate the relationship amongst entrepreneurs better. Assuming that our conceptualization is based on data gathered from the agritourism industry in Indonesia, a later study could employ this paradigm to compare the results of our research in other countries. This is a possibility, given that our study was conducted in Indonesia.

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