THE EFFECT OF ENTREPRENEURIAL ORIENTATION AND MARKET ORIENTATION ON THE MARKETING PERFORMANCE OF NON-STAR TOURISM ACCOMMODATION BUSINESSES IN MATARAM CITY: THE MEDIATING ROLE OF SOCIAL MEDIA MARKETING CAPABILITY

Aliem Sofyan Arpan[1]
Universitas Mataram, Mataram, Indonesia
aliemsofyan@gmail.com

Lalu Muhammad Furkan[2]
Universitas Mataram, Mataram, Indonesia
lalu.furkan@unram.ac.id

Lalu Edy Herman Mulyono[3]
Universitas Mataram, Mataram, Indonesia
edyherman@unram.ac.id

Abstract

This study aims to analyze the effects of Entrepreneurial Orientation and Market Orientation on Marketing Performance and to examine the mediating role of Social Media Marketing Capability in these relationships among non-star tourism accommodation businesses in Mataram City. The study employed a quantitative approach based on the positivist paradigm and an associative research design. The research population consisted of non-star tourism accommodation businesses located in Mataram City. Data were collected by distributing questionnaires to managers of non-star tourism accommodation businesses using a five-point Likert scale. The data were analyzed using Partial Least Squares Structural Equation Modeling with the assistance of SmartPLS 3 software. The results show that Entrepreneurial Orientation has a positive and significant effect on Marketing Performance, while Market Orientation also has a positive and significant effect on Marketing Performance. In addition, Entrepreneurial Orientation and Market Orientation have positive and significant effects on Social Media Marketing Capability, and Social Media Marketing Capability has a positive and significant effect on Marketing Performance. The mediation analysis demonstrates that Social Media Marketing Capability mediates the effect of Entrepreneurial Orientation on Marketing Performance. However, Social Media Marketing Capability does not mediate the effect of Market Orientation on Marketing Performance. The findings indicate that Entrepreneurial Orientation, reflected in risk-taking, innovativeness, and proactiveness, encourages the development of Social Media Marketing Capability. Businesses with a strong entrepreneurial orientation tend to be more adaptive in utilizing social media for marketing strategies, building customer relationships, and obtaining market information, thereby supporting improvements in Marketing Performance.

Keywords: Marketing Performance, Entrepreneurial Orientation, Market Orientation, Social Media Marketing Capability

INTRODUCTION

Business sustainability is one of the primary objectives of a company, reflecting an organization's ability to maintain its existence, growth, and profitability over the long term. Such sustainability is largely determined by the company's ability to adapt to changes in the business environment, meet customer needs, and create greater value than its competitors. In the tourism service industry, particularly among non-star tourism accommodation businesses, maintaining business sustainability has become increasingly important because business operators face changing tourist behavior, rapid developments in digital technology, price competition, and the emergence of various alternative accommodations marketed through digital platforms. These conditions require accommodation managers to continuously improve their performance and competitiveness.

Firm performance is a multidimensional construct that reflects the extent to which an organization successfully achieves its strategic and operational objectives through the effective and efficient utilization of resources (Richard et al., 2009). Venkatraman and Ramanujam (1986) explained that firm performance is not limited to financial aspects but also includes operational dimensions and organizational effectiveness. Nevertheless, the relevance of each performance dimension may vary depending on industry characteristics. In the accommodation service industry, Marketing Performance is an important measure because business success largely depends on the ability to attract tourists, retain customers, expand market reach, increase booking volume, and improve occupancy rates. Therefore, Marketing Performance reflects the ability of accommodation businesses to respond to market needs and maintain their competitive position.

Mataram City holds a strategic position as the center of government, trade, and services in West Nusa Tenggara Province, while also serving as a transit point for tourists traveling to various destinations across Lombok Island. This position provides opportunities for non-star tourism accommodation businesses to offer affordable and flexible lodging options located close to urban activities. However, these opportunities have not been fully accompanied by optimal marketing performance. The occupancy rates of non-star accommodations in Mataram City remain relatively low and fluctuate, with average occupancy rates below 40% during normal periods (Statistics Indonesia of West Nusa Tenggara Province, 2025). Low occupancy rates may lead to declining revenue, reductions in the workforce, and even the conversion of accommodation businesses into boarding houses. This phenomenon indicates a Marketing Performance issue that needs to be examined from the perspective of companies' internal resources and capabilities.

The Resource-Based View explains that differences in performance among firms are influenced by their ability to possess and manage strategic resources and capabilities that are valuable, rare, difficult to imitate, and non-substitutable (Barney, 1991). In the context of non-star tourism accommodation businesses, physical resources such as buildings and facilities may not be sufficient to generate a competitive advantage. Companies also require intangible resources in the form of strategic orientations and organizational capabilities that enable them to identify opportunities, understand customer needs, respond to competition, and conduct marketing activities effectively. Entrepreneurial Orientation and Market Orientation are two strategic orientations expected to contribute to improved Marketing Performance.

Entrepreneurial Orientation reflects a company's strategic tendency to act innovatively and proactively and to take risks in responding to changes in the business

environment. This orientation can encourage companies to develop new services, identify market opportunities, build partnerships, and implement marketing strategies that differ from those of competitors. However, the conditions of non-star tourism accommodation businesses in Mataram City indicate that some managers still rely on repeat customers and bookings through Online Travel Agents. Efforts to expand market reach, create service innovations, develop differentiation, and establish strategic partnerships have also not been optimally implemented. Relatively homogeneous products and services make it difficult for accommodation businesses to build distinctiveness amid increasingly intense competition. These conditions indicate that innovation and proactiveness as dimensions of Entrepreneurial Orientation still need to be strengthened.

In addition to Entrepreneurial Orientation, firms need to possess Market Orientation to understand and respond effectively to market dynamics. Narver and Slater (1990) define Market Orientation as an organizational culture directed toward creating superior customer value through customer orientation, competitor orientation, and interfunctional coordination. Market-oriented firms not only seek to understand customer needs but also pay attention to competitors' strategies and coordinate organizational resources to generate appropriate market responses. Among non-star tourism accommodation businesses in Mataram City, some managers still offer relatively homogeneous services, do not routinely evaluate changes in tourists' needs, and have not yet developed adaptive strategies to respond to changing consumer behavior. These conditions indicate that the ability to acquire, disseminate, and respond to market information remains suboptimal.

The development of digital technology has also transformed how tourists search for information and make decisions. The proportion of Indonesia's population accessing the internet increased from 69.21% in 2023 to 72.78% in 2024 (Statistics Indonesia, 2025). The Digital 2025: Indonesia report also recorded approximately 212 million internet users, representing a penetration rate of 74.6%, as well as 143 million social media user identities, equivalent to 50.2% of the total population, in January 2025 (Kemp, 2025). Tourists increasingly rely on social media, search engines, Google Maps, customer reviews, and online booking platforms to compare prices, facilities, locations, and accommodation reputations before making reservations. This shift requires accommodation businesses not only to use social media but also to possess the capability to manage it strategically.

Social Media Marketing Capability refers to an organization's ability to utilize social media to support marketing activities, acquire market information, build customer relationships, and create customer value (Trainor et al., 2014). This capability includes the ability to plan marketing activities, create and distribute content, develop customer interactions, utilize information obtained through social media, and evaluate the effectiveness of marketing activities. Social Media Marketing Capability differs from social media adoption. Social media adoption only reflects the use or extent of social media utilization, whereas Social Media Marketing Capability reflects a firm's ability to integrate social media into its marketing strategies and processes. Tarsakoo and Charoensukmongkol (2020) explain that social media marketing capability enables firms to integrate market information into decision-making, thereby strengthening the effect of strategic orientation on performance.

Previous studies examining the relationships among these variables have produced mixed findings. Fan et al. (2021) found that Entrepreneurial Orientation was positively related to the performance of small and medium-sized enterprises. Hidayati et al. (2025) also

showed that Entrepreneurial Orientation positively affected digital marketing capability and Marketing Performance. However, Astuti et al. (2024) found that the effect of Entrepreneurial Orientation on performance did not occur directly but through innovation capability. These differences indicate that innovative behavior, proactiveness, and risk-taking do not necessarily improve Marketing Performance automatically unless they are supported by capabilities that can translate such orientations into effective marketing activities.

Inconsistent findings have also been identified in the relationship between Market Orientation and Marketing Performance. Dahmiri et al. (2024) showed that Market Orientation had a positive effect on the Marketing Performance of small and medium-sized enterprises, while Hidayati et al. (2025) found that Market Orientation could improve digital marketing capability and Marketing Performance. In contrast, Bamfo and Kraa (2019) found that not all dimensions of Market Orientation exerted the same influence on performance. Customer orientation had a positive effect, whereas competitor orientation and interfunctional coordination did not have significant effects. These findings suggest that the relationship between Market Orientation and Marketing Performance still requires further explanation concerning the process through which market understanding is transformed into effective marketing activities.

A research gap is also evident in studies of Social Media Marketing Capability. Previous studies have focused more extensively on digital marketing capability or social media adoption as consequences of firms' strategic orientations. However, the use of social media does not necessarily indicate that a firm possesses the capability to plan, manage, and evaluate social media marketing activities. Tajvidi and Karami (2021) demonstrated that social media utilization could improve firm performance, but its benefits were influenced by the firm's marketing capabilities. Garrido-Moreno et al. (2020) also explained that social media use does not automatically improve organizational performance when firms lack sufficient capabilities to manage digital activities strategically. Therefore, the success of social media marketing is determined more by the capability to manage it than merely by the existence of social media accounts or the frequency of their use.

In this study, Social Media Marketing Capability is positioned as a mediating variable that explains the mechanisms through which Entrepreneurial Orientation and Market Orientation influence Marketing Performance. Entrepreneurial Orientation can encourage firms to identify new opportunities, create innovative content, experiment with marketing channels, and act proactively in reaching tourists. Market Orientation enables firms to obtain information regarding customer needs, competitor behavior, and market developments. However, both orientations need to be translated through effective social media management capabilities to generate broader market reach, stronger customer interaction, increased bookings, and improved Marketing Performance.

The positioning of Social Media Marketing Capability as a mediating variable is also supported by the Dynamic Capabilities View. Teece et al. (1997) and Teece (2007) explain that firms need the ability to integrate, build, and reconfigure resources in response to changes in the business environment. In the context of digital marketing, Social Media Marketing Capability can be viewed as a dynamic capability that helps firms identify changes in tourists' needs, capture digital market opportunities, and reconfigure marketing activities in response to technological developments and competitive conditions. Accordingly, Entrepreneurial Orientation and Market Orientation are strategic orientations that need to be transformed into operational capabilities to exert a stronger effect on Marketing Performance.

Most previous studies have been conducted in the general small and medium-sized enterprise context, as well as in the manufacturing and retail sectors. Studies integrating Entrepreneurial Orientation, Market Orientation, Social Media Marketing Capability, and Marketing Performance in the context of non-star tourism accommodation businesses remain limited. The accommodation industry has distinctive characteristics because service products are perishable, service quality is strongly influenced by customer experience, and tourists' purchasing decisions are increasingly shaped by digital information and user reviews. Therefore, the relationships among these variables need to be examined specifically in non-star tourism accommodation businesses in Mataram City.

The novelty of this study lies in the development of a model that positions Social Media Marketing Capability as a mechanism mediating the effects of Entrepreneurial Orientation and Market Orientation on Marketing Performance. Unlike previous studies that predominantly employed Digital Marketing Capability or Social Media Adoption, this study focuses on Social Media Marketing Capability as a specific organizational capability to plan and manage activities, create content, build customer interactions, utilize market information, and evaluate marketing activities through social media. Based on this discussion, this study aims to analyze the effects of Entrepreneurial Orientation and Market Orientation on Marketing Performance, examine the effects of Entrepreneurial Orientation and Market Orientation on Social Media Marketing Capability, analyze the effect of Social Media Marketing Capability on Marketing Performance, and investigate the mediating role of Social Media Marketing Capability in the effects of Entrepreneurial Orientation and Market Orientation on the Marketing Performance of non-star tourism accommodation businesses in Mataram City.

REVIEW OF LITERATURE

The Resource-Based View explains that competitive advantage and firm performance are determined by a company's ability to manage strategic resources that are valuable, rare, difficult to imitate, and non-substitutable (Barney, 1991). In this study, Entrepreneurial Orientation and Market Orientation are regarded as strategic orientations that can support improvements in Marketing Performance. Entrepreneurial Orientation reflects a firm's tendency to innovate, act proactively, and take calculated risks in pursuing market opportunities (Lumpkin & Dess, 1996). Meanwhile, Market Orientation refers to a firm's ability to understand customer needs, monitor competitors, and coordinate organizational responses to create superior market value (Narver & Slater, 1990). In the digital business environment, both orientations need to be supported by Social Media Marketing Capability, which refers to a company's ability to plan, implement, monitor, and evaluate marketing activities through social media (Tarsakoo & Charoensukmongkol, 2020; Laradi et al., 2024). From the Dynamic Capabilities perspective, this capability enables companies to align their resources and marketing strategies with technological developments, changing consumer needs, and market dynamics (Teece, 2007).

Previous studies have demonstrated that Entrepreneurial Orientation and Market Orientation are associated with marketing capabilities and firm performance. Semrau et al. (2016) found that Entrepreneurial Orientation was positively related to the performance of small and medium-sized enterprises, while Santra (2018) showed that entrepreneurial orientation supported hotel marketing performance through market-sensing ability and marketing resource flexibility. Hidayati et al. (2025) also found that Entrepreneurial

Orientation influenced digital marketing capability and Marketing Performance. However, Rezaei and Ortt (2018) indicated that this effect may operate through specific functional capabilities. Regarding the relationship between Market Orientation and performance, Jogaratnam (2017) found that market orientation was associated with the performance of service firms, while Alnawas and Hemsley-Brown (2019) demonstrated that Market Orientation improved hotel performance through customer relationship capability and service innovation. However, Solano Acosta et al. (2018) found that market orientation did not always have a direct effect on performance, whereas Butkouskaya et al. (2024) showed that its effect may depend on a firm's marketing communication capability.

Social Media Marketing Capability is expected to enhance Marketing Performance through the ability to create content, build interactions, respond to customers, utilize market information, and evaluate digital promotional activities. Varela-Neira et al. (2023) found that social media marketing systems improved social media strategy success and customer-related marketing performance, while Laradi et al. (2024) demonstrated that Social Media Marketing Capability had a positive effect on firm performance. In addition to its direct effect, marketing capability may serve as a mechanism linking strategic orientation to performance. Martin and Javalgi (2016) showed that marketing capability mediated the relationship between Entrepreneurial Orientation and performance, while Hidayati et al. (2025) found that digital marketing capability mediated the effects of Entrepreneurial Orientation and Market Orientation on Marketing Performance. However, these studies employed digital marketing capability, which has a broader scope. Therefore, this study specifically positions Social Media Marketing Capability as a mediating variable that explains how innovation, proactiveness, customer understanding, and competitor monitoring are translated into social media marketing activities that improve the Marketing Performance of non-star tourism accommodation businesses in Mataram City.

RESEARCH METHOD

This study employed a quantitative explanatory design to examine the effects of Entrepreneurial Orientation and Market Orientation on Marketing Performance and the mediating role of Social Media Marketing Capability. The study was conducted among 128 non-star tourism accommodation businesses in Mataram City. Using the Slovin formula with a 10% margin of error, 56 businesses were selected through purposive sampling. Eligible respondents were owners or managers of operating non-star accommodation businesses that actively conducted marketing activities and used social media or digital platforms.

Primary data were collected through offline and online questionnaires using a five-point Likert scale, while secondary data were obtained from official publications, institutional reports, books, and journal articles. Entrepreneurial Orientation and Market Orientation were specified as exogenous variables, Social Media Marketing Capability as the mediating variable, and Marketing Performance as the endogenous variable. All constructs were measured using reflective indicators adapted from previous studies.

Data were analyzed using PLS-SEM with SmartPLS 3. The measurement model was evaluated using outer loading, Average Variance Extracted, Cronbach's alpha, and Composite Reliability. The structural model was assessed using the coefficient of determination and path coefficients. Hypotheses and mediating effects were tested through bootstrapping. Relationships were considered significant when the t-statistic exceeded 1.96, and the p-value was below 0.05.

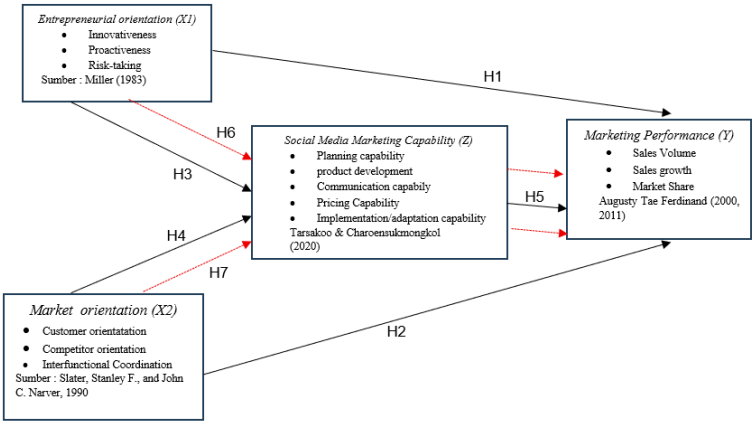
Research Hypothesis

The hypotheses of this study are formulated as follows:

- H1: Entrepreneurial orientation has a positive and significant effect on marketing performance.
- H2: Market orientation has a positive and significant effect on marketing performance.
- H3: Entrepreneurial orientation has a positive and significant effect on social media marketing capability.
- H4: Market orientation has a positive and significant effect on social media marketing capability.
- H5: Social media marketing capability has a positive and significant effect on marketing performance.
- H6: Entrepreneurial orientation has a positive and significant effect on marketing performance through social media marketing.
- H7: Entrepreneurial orientation has a positive and significant effect on marketing performance through social media marketing.

Research Model

Figure 1.
Research Model



RESULTS AND DISCUSSION

Characteristics of Respondents

This study involved 56 owners or managers of non-star tourism accommodation businesses in Mataram City as respondents. Based on age distribution, the largest proportion of respondents was aged 50 years or older, comprising 21 individuals (38%), followed by respondents aged 40–49 years with 13 individuals (23%), those aged 30–39 years with 12 individuals (21%), and those under 30 years old with 10 individuals (18%). In terms of educational attainment, most respondents had completed senior high school, totaling 20 individuals (36%). This was followed by respondents with junior high school and bachelor's degree qualifications, each totaling 12 individuals (21%), while respondents with elementary school and diploma qualifications each totaled 6 individuals (11%).

Regarding the length of business operation, the majority of respondents had managed their accommodation businesses for more than 11 years. Respondents whose businesses had operated for 11–15 years and more than 15 years each totaled 22 individuals (39%).

Meanwhile, 9 businesses (16%) had operated for 6–10 years, and 3 businesses (5%) had operated for 1–5 years. Based on the number of rooms, most businesses had 11–20 rooms, totaling 42 businesses (75%), followed by 9 businesses (16%) with 1–10 rooms and 5 businesses (9%) with 21–30 rooms. None of the businesses had more than 30 rooms. Overall, these characteristics indicate that the non-star tourism accommodation businesses examined in this study were predominantly managed by relatively mature respondents with secondary-level education and more than 11 years of business experience. Most of the businesses were small- to medium-scale accommodations, with a dominant capacity of 11–20 rooms.

Descriptive Statistics of Research Variables

Marketing Performance

The Marketing Performance variable consisted of three indicators, with an overall mean score of 4.232, indicating a very high level. The Sales Volume indicator recorded the highest mean score of 4.295 and was categorized as very high. This finding indicates that non-star tourism accommodation businesses in Mataram City demonstrate a very strong ability to increase room occupancy, attract new guests, and encourage interactions with prospective customers through social media.

Entrepreneurial Orientation

The Entrepreneurial Orientation variable consisted of three indicators, with an overall mean score of 4.181, indicating a good level. The Risk-taking indicator recorded the highest mean score of 4.286 and was categorized as very good. This finding indicates that managers of non-star tourism accommodation businesses demonstrate a strong willingness to experiment with new marketing strategies, make business decisions under uncertain conditions, and accept risks in pursuing business development.

Market Orientation

The Market Orientation variable consisted of three indicators, with an overall mean score of 4.167, indicating a good level. The Customer Orientation indicator recorded the highest mean score of 4.188 and was categorized as good. This finding indicates that managers of non-star tourism accommodation businesses pay considerable attention to customer needs and experiences, particularly by actively seeking guest feedback and using customer reviews as a basis for improving their services.

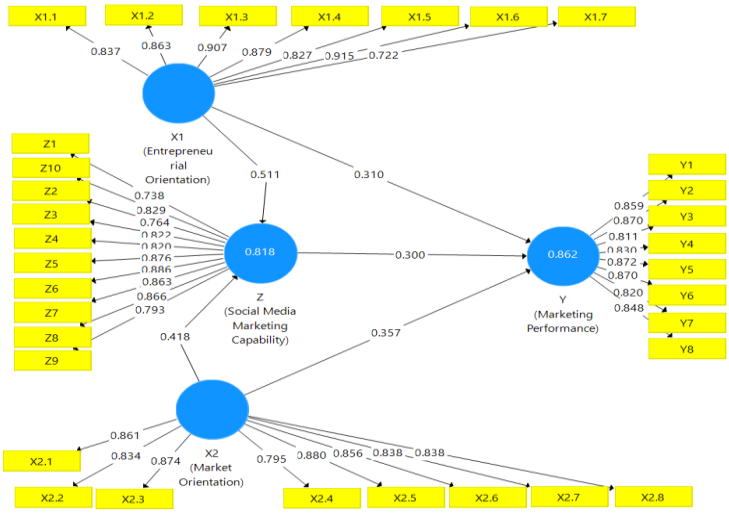
Social Media Marketing Capability

The Social Media Marketing Capability variable consisted of five indicators, with an overall mean score of 4.054, indicating a high level. The Marketing Communication Capability indicator recorded the highest mean score of 4.090 and was categorized as high. This finding indicates that non-star tourism accommodation businesses have developed a strong capability to use social media to communicate with customers, maintain relationships with guests, and evaluate customer reviews and comments as part of their marketing activities.

Measurement Model Evaluation

Convergent Validity

Figure 2.
Outer Loading Values



All measurement items for each variable, namely Entrepreneurial Orientation, Market Orientation, Marketing Performance, and Social Media Marketing Capability, achieved outer loading values greater than 0.700. Therefore, all measurement items used in this study were declared valid and met the criteria for convergent validity.

Composite Reliability

Table 1.
Cronbach's Alpha and Composite Reliability Values

Variables	Alpha Cronbach's	Rule of Thumb	Composite Reliability
Entrepreneurial Orientation (X1)	0.936	0.700	0.949
Market Orientation (X2)	0.944		0.953
Marketing Performance (Y)	0.944		0.953
Social Media Marketing Capability (Z)	0.948		0.956

All research constructs, namely Entrepreneurial Orientation, Market Orientation, Marketing Performance, and Social Media Marketing Capability, achieved Cronbach's Alpha and Composite Reliability values greater than 0.700. Therefore, all constructs met the reliability criteria and demonstrated good internal consistency.

Structural Model Evaluation

Coefficient of Determination (R^2)

The R^2 value for Marketing Performance was 0.862, indicating that Entrepreneurial Orientation, Market Orientation, and Social Media Marketing Capability explained 86.2% of its variance, while the remaining 13.8% was attributable to factors outside the model. The R^2 value for Social Media Marketing Capability was 0.818, showing that Entrepreneurial Orientation and Market Orientation explained 81.8% of its variance, with 18.2% explained by other factors. Based on Hair et al. (2021), both values are categorized as substantial, indicating that the research model has strong explanatory power.

Hypothesis Testing Results

Figure 3 presents the structural model results, including the path coefficients and p-values for the relationships among Entrepreneurial Orientation, Market Orientation, Social Media Marketing Capability, and Marketing Performance. All structural paths demonstrate

positive coefficients and statistically significant p-values. These findings indicate that the relationships proposed in the research model are supported by the empirical data.

Figure 3.
Path Coefficients Inner Model

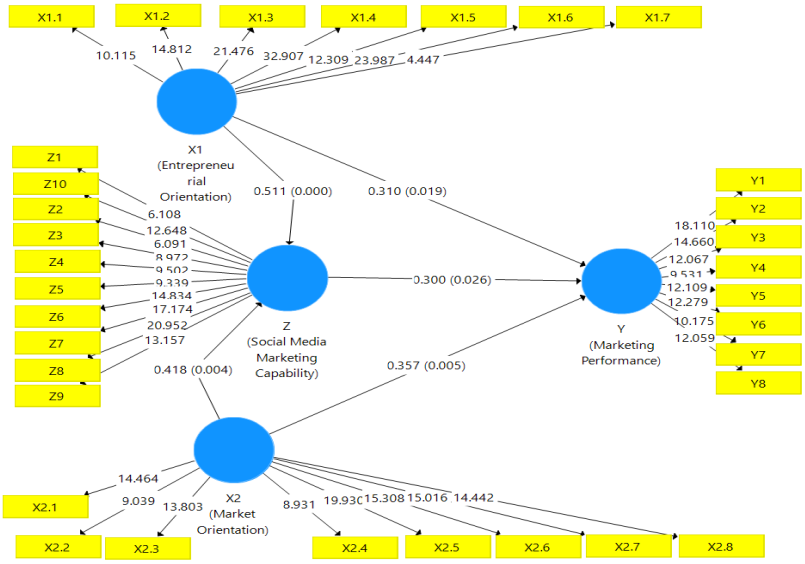


Table 2.
Hypothesis Testing Results

Relationship Between Variables	Original Sample	T-Values	P-Values	Conclusion
Direct effects				
H1: (X1) → (Y)	0.310	2.362	**0.019**	Hypothesis Supported
H2: (X2) → (Y)	0.357	2.834	**0.005**	Hypothesis Supported
H3: (X1) → (Z)	0.511	3.835	**0.000**	Hypothesis Supported
H4: (X2) → (Z)	0.418	2.914	**0.004**	Hypothesis Supported
H5: (Z) → (Y)	0.300	2.235	**0.026**	Hypothesis Supported
Indirect effect				
H6: (X1) → (Z) → (Y)	0.153	2.036	**0.042**	Hypothesis Supported
H7: (X2) → (Z) → (Y)	0.125	1.670	**0.096**	Hypothesis Rejected

The hypothesis testing results showed that all direct relationships were positive and statistically significant. Entrepreneurial orientation positively affected marketing performance (β = 0.310; t = 2.362; p = 0.019) and social media marketing capability (β = 0.511; t = 3.835; p < 0.001). Market orientation also positively affected marketing performance (β = 0.357; t = 2.834; p = 0.005) and social media marketing capability (β = 0.418; t = 2.914; p = 0.004). Social media marketing capability positively affected marketing performance (β = 0.300; t = 2.235; p = 0.026). In addition, social media marketing capability significantly mediated the relationship between entrepreneurial orientation and marketing performance (β = 0.153; t = 2.036; p = 0.042). Since both the direct and indirect effects were significant, social media marketing capability served as a partial mediator. However, social media marketing capability did not significantly mediate the relationship between market orientation and marketing performance (β = 0.125; t = 1.670; p = 0.096).

Discussion

The Effect of Entrepreneurial Orientation on Marketing Performance

The results indicate that entrepreneurial orientation has a positive and significant effect on the marketing performance of non-star tourist accommodation businesses in Mataram City. This finding is supported by a path coefficient of 0.310, a t-statistic of 2.362, and a p-value of 0.019. Therefore, H1 is supported. These results demonstrate that a stronger entrepreneurial orientation enables accommodation businesses to achieve higher marketing performance.

Theoretically, this finding is consistent with the concept of entrepreneurial orientation proposed by Lumpkin and Dess (1996), which describes a firm's tendency to engage in innovation, act proactively, and take business risks in pursuing market opportunities. Businesses with a strong entrepreneurial orientation are more capable of responding to environmental changes, identifying new opportunities, and developing strategies that differentiate them from competitors.

The descriptive analysis showed that Entrepreneurial Orientation obtained a mean score of 4.181 and was categorized as good, with Risk-taking recording the highest mean score of 4.286, indicating managers' confidence in making business decisions under uncertain conditions. Marketing Performance achieved a mean score of 4.232 and was categorized as very high, with Sales Volume obtaining the highest mean score of 4.295. These findings suggest that an innovative, proactive, and risk-taking orientation supports the ability of non-star accommodation businesses in Mataram City to attract customers and increase sales through strategic initiatives, such as adopting digital promotion, introducing new service packages, modifying service concepts, and responding to changes in tourists' preferences and booking behavior.

This finding is consistent with Santra (2018), who found that entrepreneurial orientation positively influences performance in the hotel industry. It is also supported by Martin and Javalgi (2016), who explained that entrepreneurial orientation enables firms to develop more adaptive marketing strategies, and by Semrau et al. (2016), who emphasized its role in identifying business opportunities and improving organizational performance. In the local context, Liswati et al. (2020) found that entrepreneurial marketing had a positive and significant effect on the marketing performance of MSMEs in Mataram City. Although entrepreneurial marketing and entrepreneurial orientation are conceptually distinct, both findings indicate that an entrepreneurial approach can contribute to improved marketing outcomes. Thus, entrepreneurial orientation is an important factor in enhancing the marketing performance of non-star tourist accommodation businesses in Mataram City.

The Effect of Market Orientation on Marketing Performance

The results indicate that market orientation has a positive and significant effect on the marketing performance of non-star tourist accommodation businesses in Mataram City. This finding is supported by a path coefficient of 0.357, a t-statistic of 2.834, and a p-value of 0.005. Therefore, H2 is supported. The results demonstrate that businesses with a stronger market orientation are more capable of achieving higher marketing performance.

Theoretically, this finding is consistent with Narver and Slater's (1990) concept of market orientation, which emphasizes customer orientation, competitor orientation, and interfunctional coordination as the foundation for creating superior customer value. Businesses that understand customer needs, monitor competitors, and coordinate market

information are more capable of designing services and marketing strategies that correspond to market conditions.

The descriptive analysis showed that Market Orientation obtained a mean score of 4.167 and was categorized as good, with Customer Orientation recording the highest mean score of 4.188. The highest-rated statement concerned the routine identification of guest comments, with a mean score of 4.232, indicating that customer feedback serves as an important source for evaluating and improving accommodation services. This finding was consistent with the very high level of Marketing Performance, particularly Sales Volume, which achieved a mean score of 4.295. In the accommodation industry, businesses that understand customer expectations and monitor competitors' prices, promotions, and services are better able to respond to tourists' consideration of service experiences, ratings, online reviews, and recommendations, thereby strengthening customer satisfaction, sales performance, and competitive positioning.

This finding is consistent with Narver and Slater (1990), who explained that market orientation contributes to business performance through the creation of superior customer value. It also supports Kohli and Jaworski (1990), who emphasized the importance of generating, disseminating, and responding to market intelligence. Furthermore, Hidayati et al. (2025) found that market orientation improves marketing performance by enabling businesses to develop more appropriate and responsive marketing strategies. Therefore, market orientation plays an important role in improving the marketing performance of non-star accommodation businesses in Mataram City.

The Effect of Entrepreneurial Orientation on Social Media Marketing Capability

The results indicate that entrepreneurial orientation has a positive and significant effect on social media marketing capability. This finding is supported by a path coefficient of 0.511, a t-statistic of 3.835, and a p-value of less than 0.001. Therefore, H3 is supported. The coefficient represents the strongest direct effect in the research model, indicating that entrepreneurial orientation is an important determinant of the ability of accommodation businesses to utilize social media for marketing purposes.

Theoretically, this finding is consistent with Lumpkin and Dess (1996), who explain that entrepreneurial orientation encourages businesses to innovate, act proactively, and take risks in pursuing new opportunities. Such characteristics make firms more open to technological change and more willing to experiment with new marketing approaches. Entrepreneurially oriented businesses are therefore more likely to develop the capabilities required to integrate social media into their marketing activities.

The descriptive analysis showed that Entrepreneurial Orientation obtained a mean score of 4.181, with Risk-taking recording the highest mean score of 4.286, indicating managers' willingness to experiment with new strategies despite uncertain outcomes. Social Media Marketing Capability achieved a mean score of 4.054 and was categorized as high, with Marketing Communication Capability obtaining the highest mean score of 4.090 and the use of social media to maintain guest relationships reaching 4.161. These findings indicate that innovativeness, proactiveness, and calculated risk-taking encourage non-star accommodation businesses to adopt digital platforms, develop creative content and promotional programs, respond to changing customer preferences, and use social media not only for promotion but also for communication and relationship building.

This finding supports Martin and Javalgi (2016), who explained that entrepreneurial orientation encourages the development of marketing capabilities. It is also consistent with

Trainor et al. (2014), who stated that social media capability depends not only on the availability of technology but also on an organization's ability to integrate technology into its marketing processes. Hidayati et al. (2025) similarly demonstrated that entrepreneurial orientation contributes to the development of digital marketing strategies. Thus, entrepreneurial orientation provides an important foundation for strengthening social media marketing capability.

The Effect of Market Orientation on Social Media Marketing Capability

The results indicate that market orientation has a positive and significant effect on social media marketing capability. This finding is supported by a path coefficient of 0.418, a t-statistic of 2.914, and a p-value of 0.004. Therefore, H4 is supported. These results demonstrate that businesses with a stronger market orientation are more capable of utilizing social media strategically in their marketing activities.

Theoretically, this finding is consistent with Narver and Slater (1990), who explain that market orientation directs businesses to understand customers, monitor competitors, and coordinate market information. In a digital business environment, this information becomes an important basis for determining the content, communication style, promotional strategy, and platforms used to reach customers.

The descriptive analysis showed that Market Orientation obtained a mean score of 4.167 and was categorized as good, with Customer Orientation recording the highest mean score of 4.188 and the routine identification of guest comments achieving 4.232. Social Media Marketing Capability obtained a mean score of 4.054, with Marketing Communication Capability recording the highest mean score of 4.090. These findings indicate that businesses with a stronger focus on customer needs tend to develop better digital communication capabilities by using comments, reviews, and customer interactions to create relevant content and improve communication with prospective guests. Competitor monitoring and internal coordination further support this process by enabling managers to observe competitors' promotions, pricing, content, and customer responses and translate market information into appropriate social media marketing activities.

This finding is consistent with Kohli and Jaworski (1990), who describe market orientation as a process of generating, disseminating, and responding to market intelligence. It also supports Trainor et al. (2014), who highlighted the importance of integrating customer information and social media technology into marketing processes. Martin and Javalgi (2016) similarly explained that market orientation can support the development of marketing capabilities through the effective use of customer and competitive information. Therefore, market orientation is an important foundation for developing social media marketing capability.

The Effect of Social Media Marketing Capability on Marketing Performance

The results indicate that social media marketing capability has a positive and significant effect on marketing performance. This finding is supported by a path coefficient of 0.300, a t-statistic of 2.235, and a p-value of 0.026. Therefore, H5 is supported. These results demonstrate that stronger social media marketing capability contributes to higher marketing performance among non-star accommodation businesses in Mataram City.

Theoretically, this finding is consistent with Day's (1994) concept of marketing capability, which refers to an organization's ability to use its resources, knowledge, and processes to understand customers, create superior value, and achieve business objectives. In a digital context, social media marketing capability enables businesses to plan marketing

activities, communicate with customers, develop services, implement marketing strategies, and adjust decisions based on digitally generated information.

The descriptive analysis showed that Social Media Marketing Capability obtained a mean score of 4.054 and was categorized as high, with Marketing Communication Capability recording the highest mean score of 4.090 and the use of social media to maintain guest relationships achieving 4.161. Marketing Performance obtained a mean score of 4.232 and was categorized as very high, with Sales Volume recording the highest mean score of 4.295. These findings indicate that businesses capable of providing information, creating attractive content, responding to customer inquiries, maintaining guest relationships, and utilizing customer feedback through social media are more likely to increase visibility, build customer trust, encourage booking decisions, improve services, and develop more relevant marketing strategies.

This finding supports Trainor et al. (2014), who explained that social media capability can strengthen customer relationships through digital interaction and information integration. It is also consistent with Martin and Javalgi (2016), who stated that digital marketing capabilities can improve market understanding and marketing effectiveness. Therefore, social media marketing capability represents an important strategic capability for improving the marketing performance of non-star accommodation businesses.

The Indirect Effect of Entrepreneurial Orientation on Marketing Performance through Social Media Marketing Capability

The results indicate that social Media Marketing Capability positively and significantly mediated the effect of Entrepreneurial Orientation on Marketing Performance, as indicated by an indirect effect coefficient of 0.153, a t-statistic of 2.036, and a p-value of 0.042; therefore, H6 was supported. The direct effect of Entrepreneurial Orientation on Marketing Performance was also positive and significant, with a coefficient of 0.310 and a p-value of 0.019. Because both the direct and indirect effects were significant and had the same positive direction, Social Media Marketing Capability served as a partial mediator. These findings indicate that Entrepreneurial Orientation improves Marketing Performance both directly and indirectly by strengthening Social Media Marketing Capability.

Theoretically, this mediating relationship can be explained through the resource-based view proposed by Barney (1991). This perspective explains that superior performance can be achieved when firms develop internal resources and capabilities that create value. In this study, entrepreneurial orientation represents a strategic organizational orientation, whereas social media marketing capability represents an internal capability through which entrepreneurial behavior can be translated into effective marketing activities.

Lumpkin and Dess (1996) explain that entrepreneurial orientation encourages businesses to pursue opportunities through innovation, proactiveness, and risk-taking. However, these entrepreneurial characteristics require appropriate organizational capabilities to generate performance outcomes. Social media marketing capability enables accommodation businesses to transform innovative ideas into digital content, proactive behavior into timely market responses, and risk-taking decisions into new promotional approaches.

The descriptive results support this mediating mechanism. Entrepreneurial orientation obtained a mean score of 4.181, with risk-taking recording the highest mean score of 4.286. Social media marketing capability obtained a mean score of 4.054, with marketing communication capability recording the highest mean score of 4.090. Marketing performance

obtained a mean score of 4.232, with sales volume recording the highest mean score of 4.295. These findings suggest that managers' willingness to adopt new strategies strengthens their digital marketing capabilities, which subsequently supports customer acquisition and sales performance.

This finding is consistent with Martin and Javalgi (2016), who explained that entrepreneurial orientation can improve organizational performance through the development of marketing capabilities. It also supports Trainor et al. (2014), who demonstrated that social media capability can strengthen customer relationships and marketing effectiveness. Therefore, social media marketing capability constitutes an important mechanism through which entrepreneurial orientation contributes to higher marketing performance.

The Indirect Effect of Market Orientation on Marketing Performance through Social Media Marketing Capability

The results indicate that social media marketing capability does not significantly mediate the effect of market orientation on marketing performance. This finding is supported by an indirect effect coefficient of 0.125, a t-statistic of 1.670, and a p-value of 0.096. Therefore, H7 is not supported.

Although market orientation had a positive and significant effect on social media marketing capability and social media marketing capability had a positive and significant effect on marketing performance, the indirect effect was not statistically significant. This means that social media marketing capability has not been demonstrated to function as the mechanism through which market orientation improves marketing performance.

The nonsignificant indirect effect does not indicate that market orientation is unimportant. Market orientation had a positive and significant direct effect on marketing performance, with a coefficient of 0.357, a t-statistic of 2.834, and a p-value of 0.005. Therefore, market orientation appears to improve marketing performance primarily through direct mechanisms, including understanding customers, monitoring competitors, adjusting services, and responding to market conditions.

One possible explanation relates to the characteristics of the businesses included in the study. Approximately 78% of the businesses had operated for more than 11 years. This extensive operational experience may enable managers to understand customer preferences and competitive conditions through accumulated knowledge and direct interaction with guests. However, because the effect of business experience was not statistically tested, this explanation should be interpreted as a contextual possibility rather than a confirmed causal mechanism.

The descriptive analysis provides additional support for this interpretation. Market orientation obtained a mean score of 4.167, with customer orientation recording the highest mean score of 4.188. The practice of routinely identifying guest comments obtained a mean score of 4.232, indicating that managers have direct access to customer information. Meanwhile, within social media marketing capability, marketing communication capability obtained the highest mean score of 4.090, whereas marketing implementation or adaptation capability and pricing capability recorded relatively lower mean scores of 4.018 and 4.027, respectively.

This pattern suggests that social media is used primarily for communication and promotion rather than as a comprehensive system for analyzing market information, adapting marketing strategies, and determining prices. Therefore, customer and competitor

information may be translated directly into service and marketing decisions without requiring social media marketing capability as an intermediary.

Theoretically, this finding remains consistent with Narver and Slater (1990), who explain that market orientation creates superior customer value through customer orientation, competitor orientation, and interfunctional coordination. Social media is only one of several possible instruments for implementing market orientation. Kohli and Jaworski (1990) also explain that market intelligence may be generated, disseminated, and responded to through various mechanisms, including direct customer interaction and organizational experience.

Accordingly, social media marketing capability has not been demonstrated to mediate the relationship between market orientation and marketing performance. Market orientation remains an important determinant of marketing performance, but its influence is more dominant through the direct ability of accommodation businesses to understand customers and respond to market conditions. Social media marketing capability currently functions as a supporting marketing capability rather than the principal mechanism connecting market orientation with marketing performance.

CONCLUSION

The findings demonstrate that Entrepreneurial Orientation and Market Orientation have positive and significant effects on the Marketing Performance of non-star tourism accommodation businesses in Mataram City. Both strategic orientations also have positive and significant effects on Social Media Marketing Capability, while Social Media Marketing Capability positively and significantly influences Marketing Performance. These findings indicate that the ability to innovate, act proactively, take calculated risks, understand customer needs, monitor competitors, and manage market information can strengthen social media marketing capabilities and improve business marketing performance.

Social Media Marketing Capability was found to mediate the effect of Entrepreneurial Orientation on Marketing Performance. This result indicates that Entrepreneurial Orientation improves Marketing Performance not only directly but also through the ability of businesses to manage marketing activities through social media. In contrast, Social Media Marketing Capability did not mediate the effect of Market Orientation on Marketing Performance. This finding suggests that understanding customers, competitors, and market information contributes more directly to Marketing Performance rather than through Social Media Marketing Capability.

Theoretically, this study supports the Resource-Based View by demonstrating that Entrepreneurial Orientation and Market Orientation function as strategic resources that enhance Marketing Performance. It also supports the Dynamic Capabilities perspective by positioning Social Media Marketing Capability as an adaptive capability that translates Entrepreneurial Orientation into effective marketing activities. However, the different mediation results indicate that Social Media Marketing Capability does not serve as an intermediary mechanism for every strategic orientation.

Practically, managers of non-star tourism accommodation businesses should strengthen service innovation, responsiveness to market opportunities, customer understanding, competitor monitoring, and social media marketing management. This study is limited to non-star accommodations in Mataram City and uses a cross-sectional design. Future research should examine broader geographical and accommodation contexts, apply

longitudinal designs, and investigate other mediating capabilities, such as Innovation Capability, Customer Engagement Capability, and Digital Analytics Capability.

REFERENCES

Alnawas, I., & Hemsley-Brown, J. (2019). Market orientation and hotel performance: Investigating the role of high-order marketing capabilities. *International Journal of Contemporary Hospitality Management, 31*(4), 1885–1905. https://doi.org/10.1108/IJCHM-07-2018-0564

Astuti, R. D., Balqiah, T. E., & Yuliati, E. (2024). Role of individual entrepreneurial orientation and innovation in SME performance: Gender perspectives. *Problems and Perspectives in Management, 22*(2), 365–378. https://doi.org/10.21511/ppm.22(2).2024.28

Badan Pusat Statistik. (2025, August 29). *Statistik telekomunikasi Indonesia 2024*. https://www.bps.go.id/id/publication/2025/08/29/beaa2be400eda6ce6c636ef8/telecommunication-statistics-in-indonesia-2024.html

Badan Pusat Statistik Provinsi Nusa Tenggara Barat. (2025, July 1). *Perkembangan pariwisata Nusa Tenggara Barat Mei 2025* [Berita resmi statistik]. https://ntb.bps.go.id/id/pressrelease/2025/07/01/1059/perkembangan-pariwisata-nusa-tenggara-barat-mei-2025.html

Bamfo, B. A., & Kraa, J. J. (2019). Market orientation and performance of small and medium enterprises in Ghana: The mediating role of innovation. *Cogent Business & Management, 6*(1), Article 1605703. https://doi.org/10.1080/23311975.2019.1605703

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99–120. https://doi.org/10.1177/014920639101700108

Butkouskaya, V., Llonch-Andreu, J., & Alarcón-del-Amo, M. del C. (2024). Market orientation, integrated marketing communications, and small and medium-sized enterprises performance: A comparison between developed and developing economies. *European Research on Management and Business Economics, 30*(3), Article 100260. https://doi.org/10.1016/j.iedeen.2024.100260

Dahmiri, D., Junaidi, J., Johannes, J., Yacob, S., & Indrawijaya, S. (2024). The impact of market orientation on marketing performance: Exploring the moderating role of competitive advantage. *Business: Theory and Practice, 25*(1), 164–174. https://doi.org/10.3846/btp.2024.20174

Fan, M., Qalati, S. A., Khan, M. A. S., Shah, S. M. M., Ramzan, M., & Khan, R. S. (2021). Effects of entrepreneurial orientation on social media adoption and SME performance: The moderating role of innovation capabilities. *PLOS ONE, 16*(4), Article e0247320. https://doi.org/10.1371/journal.pone.0247320

Garrido-Moreno, A., García-Morales, V. J., King, S., & Lockett, N. (2020). Social media use and value creation in the digital landscape: A dynamic-capabilities perspective. *Journal of Service Management, 31*(3), 313–343. https://doi.org/10.1108/JOSM-09-2018-0286

Hair, J. F., Jr., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). Partial least squares structural equation modeling (PLS-SEM) using R: A workbook. Springer Nature Switzerland. https://doi.org/10.1007/978-3-030-80519-7

Hidayati, H. A., Siti Astuti, E., Kusumawati, A., & Iqbal, M. (2025). The nexus between

entrepreneurial and market orientation on digital marketing capabilities and marketing performance of SMEs in emerging markets. *Cogent Business & Management, 12*(1), Article 2526150. https://doi.org/10.1080/23311975.2025.2526150

Jogaratnam, G. (2017). How organizational culture influences market orientation and business performance in the restaurant industry. *Journal of Hospitality and Tourism Management, 31*, 211–219. https://doi.org/10.1016/j.jhtm.2017.03.002

Kemp, S. (2025, February 25). *Digital 2025: Indonesia*. DataReportal. https://datareportal.com/reports/digital-2025-indonesia

Laradi, S., Elfekair, A., Alrawad, M., Hashim, M., & Derouez, F. (2024). Leveraging capabilities of social media marketing for business success. *Computers in Human Behavior Reports, 16*, Article 100524. https://doi.org/10.1016/j.chbr.2024.100524

Liswati, L., Rinuastuti, B. H., & Mulyono, L. E. H. (2020). Pengaruh entrepreneurial marketing terhadap kinerja pemasaran dengan variabel moderasi bimtek dan bantuan peralatan. *JMM UNRAM – Master of Management Journal*, *9*(2), 122–133. https://doi.org/10.29303/jmm.v9i2.528

Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, *21*(1), 135–172. https://doi.org/10.5465/amr.1996.9602161568

Martin, S. L., & Javalgi, R. G. (2016). Entrepreneurial orientation, marketing capabilities and performance: The moderating role of competitive intensity on Latin American international new ventures. *Journal of Business Research*, *69*(6), 2040–2051. https://doi.org/10.1016/j.jbusres.2015.10.149

Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing, 54*(4), 20–35. https://doi.org/10.1177/002224299005400403

Rezaei, J., & Ortt, R. (2018). Entrepreneurial orientation and firm performance: The mediating role of functional performances. *Management Research Review, 41*(7), 878–900. https://doi.org/10.1108/MRR-03-2017-0092

Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring organizational performance: Towards methodological best practice. *Journal of Management, 35*(3), 718–804. https://doi.org/10.1177/0149206308330560

Santra, I. K. (2018). Entrepreneurial orientation and marketing performance of budget hotel SMEs in Bali Island. *International Journal of Entrepreneurship, 22*(4), 1–11. https://www.abacademies.org/articles/entrepreneurial-orientation-and-marketing-performance-of-budget-hotel-smes-in-bali-island-7727.html

Semrau, T., Ambos, T., & Kraus, S. (2016). Entrepreneurial orientation and SME performance across societal cultures: An international study. *Journal of Business Research, 69*(5), 1928–1932. https://doi.org/10.1016/j.jbusres.2015.10.082

Solano Acosta, A., Herrero Crespo, Á., & Collado Agudo, J. (2018). Effect of market orientation, network capability and entrepreneurial orientation on international performance of small and medium enterprises (SMEs). *International Business Review, 27*(6), 1128–1140. https://doi.org/10.1016/j.ibusrev.2018.04.004

Tajvidi, R., & Karami, A. (2021). The effect of social media on firm performance. *Computers in Human Behavior, 115*, Article 105174. https://doi.org/10.1016/j.chb.2017.09.026

Tarsakoo, P., & Charoensukmongkol, P. (2020). Dimensions of social media marketing

capabilities and their contribution to business performance of firms in Thailand. *Journal of Asia Business Studies, 14*(4), 441–461. https://doi.org/10.1108/JABS-07-2018-0204

Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of sustainable enterprise performance. *Strategic Management Journal, 28*(13), 1319–1350. https://doi.org/10.1002/smj.640

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal, 18*(7), 509–533. https://doi.org/10.1002/(SICI)1097-0266(199708)18:7%3C509::AID-SMJ882%3E3.0.CO;2-Z

Trainor, K. J., Andzulis, J. M., Rapp, A., & Agnihotri, R. (2014). Social media technology usage and customer relationship performance: A capabilities-based examination of social CRM. *Journal of Business Research, 67*(6), 1201–1208. https://doi.org/10.1016/j.jbusres.2013.05.002

Varela-Neira, C., Dwivedi, Y. K., & Camoiras-Rodriguez, Z. (2023). Social media marketing system: Conceptualization, scale development and validation. *Internet Research, 33*(4), 1302–1330. https://doi.org/10.1108/INTR-06-2021-0393

Venkatraman, N., & Ramanujam, V. (1986). Measurement of business performance in strategy research: A comparison of approaches. *Academy of Management Review, 11*(4), 801–814. https://doi.org/10.5465/amr.1986.4283976