

STRATEGIC ORIENTATIONS AND BUSINESS PERFORMANCE UNDER MEDIATING EFFECTS OF SOCIAL MEDIA ORIENTATION

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ABSTRACT

This paper aims to investigate how small-medium enterprises (SMEs) in Vietnam pursue the strategic orientation, namely market orientation, and entrepreneurial orientation, to adopt social media for improving business performance. A comprehensive data set of 176 responses is collected from managers of SMEs in an emerging market, namely Vietnam. Partial least squares-structural equation modeling (PLS-SEM) is used to test measurement reliability and validity and research hypotheses proposed on the foundation of the literature review. The findings show that market orientation and social media adoption have a significant and positive impact on business performance, but entrepreneurial orientation has no direct effect on business performance at SMEs. The mediating analysis reveals that social media adoption has a mediating relevant impact on the relationship between the strategic orientation (market orientation and entrepreneurial orientation) and business performance. This paper offers valuable insights to help SMEs better understand the strategic orientation and its benefits for business success. These findings add to the extending body of evidence that market and entrepreneurial orientation, as the strategic orientation for SMEs, uses social media to improve business performance.

Keywords: Strategic Orientation, Entrepreneurial Orientation, Market Orientation, Social Media Adoption, Business Performance

INTRODUCTION

Strategic orientations are frequently applied for stimulating firm performance and maintain its growth. Previous studies demonstrated the significant effect of strategic orientation on business performance (Grinstein, 2008; Hult, Ketchen & Slater, 2005; Kim, Im & Slater, 2013). Besides, various studies also investigate the impact of strategic orientations on business performance at SMEs from different levels, areas and around the developed and developing country (Al-Ansaari, 2015; Aragón-Sánchez & Sánchez-Marín, 2005; Chahal, 2016; Laukkanen, 2013).

According to the literature, Entrepreneurial Orientation (EO) and Market Orientation (MO) are two common types of strategic orientation (Covin & Lumpkin, 2011; Hakala, 2011). In more competitive environments, the survival of entrepreneurial business can be improved by two internal firm capabilities, such as entrepreneurial efforts and market-oriented efforts (Webb, 2011). Some previous studies have shown that those companies that prioritize MO and EO as essential aspects of their operations perform better (Laukkanen et al., 2013; Lumpkin & Dess, 1996). Scholars and practitioners have paid more attention to the relationships between MO, EO, and business performance in developed countries. However, they seldom investigate the effects of MO and MO SME performance in developing countries (Buli, 2017).

Even though social media is a relatively new phenomenon, it is one of the most widely discussed topics in the current business domain. It is already altering the corporate landscape where companies have been using social media as a strategic tool to manage their business operations (Misirlis & Vlachopoulou, 2018; Olanrewaju, 2020). Modern businesses are expected to establish a social media presence as a vehicle for advertising and marketing efforts and relationship development and as a gateway for information exchange, education, and interaction with the networked public (Ahmad, 2018). Although large corporates can use social media and other internet-based strategies without extra resources, SMEs may employ social media and other internet-based methods because of the low cost, technological manageability and convenience of use, and capacity to interact with and reach a considerable number of consumers (Qalati, 2021). Moreover, SMEs may expect many advantages from adopting social media, including informational advantages like the simplicity of collecting data from media users such as customers and competitors. Despite the excitement around the popularity of the topic in adopting social media in the large corporations, the rare studies on deploying the strategic orientation to embrace social media for stimulating business performance at SMEs. Specifically, a little research on this topic in an emerging country like Vietnam. Therefore, to extend the scope of a research field and fulfill the research gap, this paper aims to explore an emerging market and concentrate on SMEs. We proposed a research model to test two key antecedents of MO and EO to social media adoption and their effects on business performance. The following section conducts the relevant literature and proposes the research model with hypothesis development. Subsequently, the research methodology is described. Section 4 presents the research results and discussions. Finally, the last section outlines the conclusion and suggests some future research directions.

LITERATURE REVIEW

Strategic Orientation

Strategic orientation has been investigated by previous literature. The scholars refer to the tendency to utilize, coordinate resources, and direct a firm's managerial activities in specific ways to achieve a competitive advantage build network ties and improve business performance (Cadogan, 2012). It is widely used to express a variety of distinct constructs. It is viewed as a continuous and iterative process that must consider the many implications of strategic change's logical, economic, political, and subjective components on competitive performance (Dutot & Bergeron, 2016; Zhou et al., 2005). Previous studies stressed the significant contribution of strategic orientation on corporate performance (Grinstein, 2008; Hult et al., 2005; Kim et al., 2013). Specifically, the scholars proposed that Entrepreneurial Orientation (EO) and Market Orientation (MO) are two typical kinds of strategic orientations (Covin & Lumpkin, 2011; Hakala, 2011). This paper mainly focuses on MO and EO because they are the two most vital types of internal strategic orientations for SMEs to achieve long-term success and produce better performance (Ibrahim & Shariff, 2016).

Market Orientation

MO has been one of the most important theoretical notions in marketing literature with adopting a cultural viewpoint. It is defined as "the organization culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business" (Narver & Slater, 1990, p.21). The scholars support three distinct MO dimensions: customer orientation, competitor orientation, and inter-functional coordination (Herrero, San Martín & Collado, 2018). Besides, the other authors provide an information-based market orientation approach, stressing a market intelligence phase based on current and future consumer demands, disseminating created intelligence throughout the business,

and a process of market reaction (Jaworski & Kohli, 1993). Overall, both approaches emphasize the need to consider customers' demand and satisfaction and competitors' strategies when developing commercial policy, but each has a distinct focus. Hence, this paper concentrated on building a second-order construct of MO with two main dimensions, including customer orientation and competitor orientation. Furthermore, managers at SMEs who are actively market - oriented continually enhance customer commitment and satisfaction, take use of competitive advantages to respond to rivals' activities, and exchange customer-related information and resources across all the corporate departments to provide more value-added benefits for customers (Fang et al., 2014; Jebarajakirthy, Thaichon & Yoganathan, 2016).

Entrepreneurial Orientation

MO promotes openness to new ideas and emphasizes specific consumer needs (Zhou et al., 2005); in contrast, EO refers to the entrepreneurship process, which includes the steps, practices, decision-making processes, and behaviors that lead to entry into new or existing markets with new or existing goods or services (Buli, 2017; Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005). EO is described as a company's strategic direction, which includes characteristics of decision-making styles, processes, and procedures unique to the entrepreneurial aspects (Wiklund & Shepherd, 2005).

According to the recent business strategic management literature, EO is one of the most essential research topics (Basco, Hernández-Perlines & Rodríguez-García, 2020; Hernández-Perlines, Covin & Ribeiro-Soriano, 2021). EO has been characterized in terms of proactiveness and innovation (Merz & Sauber, 1995). Specifically, SMEs are frequently connected with proactiveness and innovation (Bature, Sallehuddin, Rosli & Saad, 2018; Zacca & Dayan, 2018). Proactiveness is all about apprehending future market demands and trends by providing new products and services ahead of rivals (Hernández-Perlines et al., 2021; Rauch, Wiklund, Lumpkin & Frese, 2009). Proactiveness enables an enterprise to obtain a first-mover advantage by becoming a pioneer (Covin & Slevin, 1989; Lumpkin & Dess, 1996). In contrast, innovation is the propensity to encourage new ideas, experimentation, and the application of creative processes (Basco et al., 2020; Covin, Eggers, Kraus, Cheng & Chang, 2016; Lomberg, Urbig, Stöckmann, Marino & Dickson, 2017).

Most previous empirical studies have considered innovation and proactiveness as independent variables in the research model (Asrar-ul-Haq et al., 2019; Bature et al., 2018; Isichei, 2020). In this study, EO is considered as a multidimensional construct, integrating proactiveness and innovation in a higher-order construct. It enables us to investigate the direct effects of EO on the business performance of SMEs.

Social Media Adoption

Social media is defined as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user-generated content" (Kaplan & Haenlein, 2010, p.61). People's interactions have changed as a result of social media. Entrepreneurs have been embracing social media to manage their company activities, such as marketing, by utilizing its features (Misirlis & Vlachopoulou, 2018; Olanrewaju et al., 2020). Albeit larger companies can adopt social media and other internet-based strategies without additional resources, social media can be used by SMEs due to its low cost, technical manageability and ease of use, and its ability to connect with and reach a large number of consumers (Qalati et al., 2021). Furthermore, SMEs could expect a variety of benefits from using social media, including informational benefits such as the simplicity of receiving data input from media users like consumers and rivals.

According to the theoretical model of Social Media Adoption (SMA) in small organizations, Durkin, McGowan & McKeown (2013) describe two main perspectives. The first social media benefits for firms are sales and business development, which enhances deeper business connections and increases e-commerce and sales performance. Notably, it helps raise profitability, build more substantial customer commitment and loyalty through taking care of new and potential customers and improve services after-sales. SMEs may use social media networks as a tool of communication to research, understand customers' needs and competitors' information and as a channel for sales directly or indirectly. To sum up, SMEs should adopt social commerce into the business model. The advantages of social commerce are to make SME become more internationally and universally (Chen, 2011) and promote consumers' interaction through social media (Hajli, 2014).

Another perspective of SMA is brand management, which relates to protect and build reputation, advertising, and price comparison (Durkin et al., 2013). This also includes visibility, which people take advantage of to build and develop a company's image and brand (Goh, Heng & Lin, 2013). Firms' visibility can have some positive effects such as improving brand integration, customer engagement (Murdough, 2009), assisting in new products that are appropriate to their needs (Hensel & Deis, 2010). Moreover, the other indirect benefits from visibility are to promote the company to build and maintain its social media networks, to share and exchange ideas with customers; to gather and collect feedbacks, recommendations, primarily *via* word-of-mouth and hot trends on social media (Edosomwan, 2011).

Business Performance

One of the most effective measures of business success is performance, which has a significant linkage with strategic planning (Najib, 2017). All stakeholders, such as business owners, investors, managers, etc., who emphasize these corporate or company conditions/success or development before investing, focus and consider firm performance. There are two main types of measurement to access company performance or health: either financial measures (including stock prices, earnings, earnings per share) or non-financial activities (for example, customer and employee satisfaction, employee compensation, supplier relationships relative to competitors, franchisee satisfaction, customer commitment, and loyalty) (Kaplan, 2001). This paper uses the questionnaire to measure business performance through profitability, revenue, sales growth, and market share. It aims to build a research model to evaluate the integrated effects of market orientation, entrepreneurship orientation and social media orientation on business performance of SMEs. The expected results would give much clearer empirical evidence in favor of dynamic capacity theory and may help SMEs in emerging economies like Vietnam gain a competitive edge.

Research Model and Hypothesis Development

From the literature review, we develop the research model presented in Figure 1 with the hypothesis development. The measurement model of all latent variables is reflective. In other words, the variable is constrained to reflect the behavior of the measured items (Martins, Lucato, Vils & Serra, 2020; Peterson, 2017).

Market Orientation and Social Media Adoption

MO is a determinant of creative behavior in an enterprise since it suggests doing something unused or distinctive in reaction to market conditions (Grinstein, 2008; Herrero et al., 2018). Moreover, MO directly influences an enterprise's innovation, embracing the adoption of modern

forums and administrative frameworks. Considerable several empirical studies confirm that MO has a positive relationship with SMA in terms of using e-marketing (Tsiotsou & Vlachopoulou, 2011), adopting social media as a communication tool (Herrero et al., 2018). In the field of SMEs, managers build and improve a better MO then their businesses will pursue a higher SMA. Therefore, it is logical to expect that MO has a direct impact on SMA.

Market Orientation and Business Performance

Managers at SMEs have been eager to pursue more market-oriented to satisfy customer demand and enhance business performance. MO is positively related to performance (Jaworski & Kohli, 1993; Narver & Slater, 1990). Although the considerable emphasis on MO may seem intuitively appealing in the challenge of quickly changing market conditions, empirical findings on the relationship between MO and performance are mixed. Whereas some empirical studies provide evidence to support a significant impact of MO on business performance (Harrison-Walker, 2001; Jogaratnam, 2017; Morgan, Vorhies & Mason, 2009), other studies have demonstrated no evidence to support the direct effect of MO on business performance (Au & Tse, 1995; Sargeant & Mohamad, 1999). In light of the discrepancies found in the literature, we aim to test the relationship between MO and the business performance of SMEs in Vietnam.

Entrepreneurial Orientation and Social Media Adoption

When enterprises employ technology like social media, they may participate in open contact with their consumers. This open communication can affect the businesses' perceived image or brand, as well as their image as market leaders and innovators (Zyl, 2009). They are more likely to experiment with new and inventive ways to advertise their products and services using social media. The information about consumers and rivals that companies obtain through social media and feedback on their products and services is immediate, which may encourage the organization to take proactive actions to resolve concerns or enhance services (Parveen, Jaafar & Ainin, 2016). SMEs adopt social media to obtain EO. As a result, this paper aims to investigate the relationship between EO and SMA of SMEs in Vietnam.

Entrepreneurial Orientation and Business Performance

As a characteristic of EO, innovativeness has been widely acknowledged in the literature as essential to driving more incredible performance (Isichei et al., 2020). Arshad (2014) looked at technology-based SMEs in Malaysia and discovered that innovation significantly impacted business performance. This finding is also consistent with the views of Ajayi (2016) that innovation leads to improving performance. Similarly, Kocak, Carsrud & Oflazoglu (2017) investigated the impacts of market, entrepreneurial, and technological orientation on performance in Turkish SMEs and assessed that innovation has a substantial effect on SME performance.

As another characteristic of EO, proactive is more likely to enhance business performance by attracting customers throughout finding and developing new goods ahead of both customers and competitors. Several empirical studies have confirmed that proactiveness is positively associated with performance (Isichei et al., 2020; Lumpkin & Dess, 1996). However, Isichei, et al. (2020) found no evidence to support the relationship between risk-taking (another dimension of EO) and SME performance in Nigeria. Based on the previous studies, this paper only focused on two dimensions of EO (innovativeness and proactiveness) to investigate the relationship between EO and the business performance of SMEs in Vietnam.

Social Media Adoption and Business Performance

Besides noting the determinants of SMA, the study also investigated the direct influence of SMA on business performance. A considerable number of empirical studies have examined the relationship between SMA and business performance and demonstrated significant findings. For example, it was illustrated that SMA such as Facebook usage enhances non-financial performance and financial performance of SMEs in Malaysia (Ainin, Parveen, Moghavvemi, Jaafar & Mohd Shuib, 2015). Another study on E-marketing showed that the E-marketing tool significantly impacts firm performance (Shuai & Wu, 2011). Moreover, Tajudeen (2018) found that SMA is positively associated with business performance in terms of cost reduction, customer relations, and information accessibility. Literature indicates that social media may significantly influence businesses in the areas of digital advertising and promotion, customer service difficulties, mining creative ideas, and customer interactions. As a result, when SMEs use social media effectively for various tasks such as marketing, customer relations, and information searching, it is likely to have a positive impact on business performance.

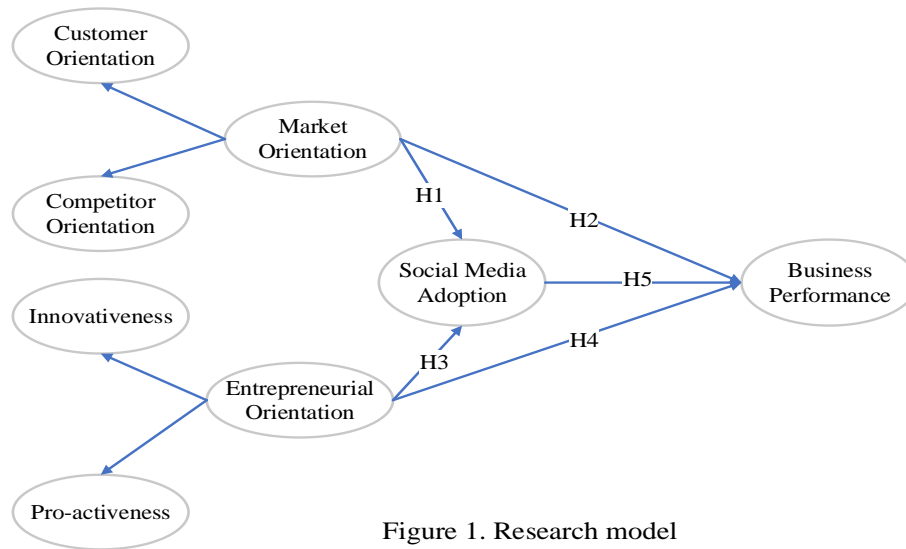


Figure 1. Research model

FIGURE 1 RESEARCH MODEL

- H1. Market orientation positively relates to social media adoption.*
H2. Market orientation positively relates to business performance.
H3. Entrepreneurial orientation positively relates to social media adoption.
H4. Entrepreneurial orientation positively relates to business performance.
H5. Social media adoption positively relates to business performance.

METHODOLOGY

Measures

The measures were adapted from the literature with minor adjustments to be consistent with the study context of SMEs in Vietnam due to translating English into Vietnamese. These items were measured with a 5-point Likert scale (1=strongly disagree; 5=strongly agree). Table 1 depicts all items for each factor adapted from prior studies. Specifically, MO and EO were built a second-order construct.

Table 1			
CONSTRUCT MEASUREMENTS			
Constructs	Mean	SD	Standard loading
Entrepreneurial orientation (EO) ($\alpha = 0.878$; CR= 0.908; AVE=0.623). Adapted from (Covin & Slevin, 1989; Lumpkin & Dess, 1996)			
Innovativeness (subconstruct)			
EO1- We constantly emphasize and improve innovativeness, R&D, and technological leadership	4.193	0.833	0.803
EO2- Within the last 3 years, we have experimented and brought several new products or services to the market	4.062	0.822	0.816
EO3- Our company is known as an innovator among businesses in our industry thanks to development of new methods and technologies	3.863	0.897	0.849
Proactiveness (subconstruct)			
EO4- We constantly seek new opportunities before our competitors	4.164	0.849	0.843
EO5- Our company wants to become the first business to introduce new products or services, administrative techniques, operating technologies in market	4.119	0.815	0.884
EO6- We opportunistically shape our business environment to enhance our presence in the market	4.181	0.862	0.886
Market orientation (MO) ($\alpha = 0.887$; CR= 0.911; AVE=0.561).			
Adapted from (Li, 2005; Ward, Girardi, & Lewandowska, 2006)			
Customer orientation (subconstruct)			
MO1- We continually build stronger customer commitment	4.409	0.727	0.857
MO2- We constantly focus on creating greater customer value	4.341	0.738	0.853
MO3- Our business aims are to identify and understand customer needs	4.364	0.743	0.838
MO4- Our objectives are to improve customer satisfaction	4.505	0.659	0.808
MO5- We frequently and systematically measure customer satisfaction	4.153	0.884	0.706
MO6- Our business puts emphasis on after - sales service	3.914	0.949	Dropped
Competitor orientation (subconstruct)			
MO7- We share competitor's strategic information in company on a regular basis	3.915	0.874	0.848
MO8- Our company has rapid response to competitors' actions	4.068	0.789	0.883
MO9- Our strategies for competitive advantage are to identify and make use of opportunities for target customer before our competitors	4.045	0.925	0.827
Social media adoption (SMA) ($\alpha = 0.914$; CR= 0.929; AVE=0.592)			
Adapted from (Dutot & Bergeron, 2016; Parveen et al., 2016)			
The presence and adoption on social media allows our business to			
SMA1- promote and innovate our new products	4.045	0.899	0.783
SMA2- increase the visibility of the company	4.261	0.778	0.811
SMA3- develop stronger customer relationship management	4.335	0.706	0.777

SMA4- improve our database of customer	4.278	0.746	0.805
SMA5- improve our sales	4.284	0.777	0.754
SMA6- increase higher brand reputation	4.392	0.799	0.762
SMA7- share, search information, and accessibility in company	4.301	0.845	0.724
SMA8- advance advertising and promotion	4.193	0.886	0.737
SMA9- conduct market research and development	4.238	0.835	0.769
Business performance (BP) ($\alpha = 0.893$; CR= 0.919; AVE=0.6543)			
Adapted from (Luu & Ngo, 2019)			
During the past 3 years, our business has:			
BP1- met overall profitability goals	4.119	0.78	0.811
BP2- met return on investment goals	4.023	0.827	0.768
BP3- met return on asset goals	4.096	0.738	0.853
BP4- met overall market share goals	4.164	0.779	0.86
BP5- met sales volumes goals	4.295	0.751	0.828
BP6- met sales growth goals	4.107	0.838	0.722
Note: CR (composite reliability), AVE (average variance extracted), α (Cronbach alpha).			

Data Collection

A self-administered survey method and a convenience sample strategy are used in this study. We have received permission from the graduate program directors of three of Ho Chi Minh City's most prominent MBA schools to visit multiple classrooms to distribute the questionnaire and return one week later to collect the results. Some MBA students who are senior managers may complete the survey without their bosses' permission. Many MBA students, on the other hand, do not know how to answer critical questions. They assisted us in asking one of their top managers to undertake the survey. Finally, the data was collected during five months, from September 2019 to January 2020. 380 surveys were delivered throughout this time, using both online and offline methods. This study eventually employed a sample size of 176 respondents.

Method

SmartPLS software version 3.0 (Ringle, 2018) was used to perform PLS-SEM, which was chosen as an analytical approach. PLS-SEM is relevant for our research for three reasons. First, it allows structural model analysis with a limited sample size of 176. Second, it is also a good choice for a complicated model with little literature (Joseph F. Hair, Risher, Sarstedt, & Ringle, 2019). Third, the PLS-SEM method has an advanced technique for mediation analysis of the research model with hypothesis development as mentioned above (Carrión, 2017). Moreover, it also allows conducting a second-order reflective formative construct of MO and EO. The second-order structures were evaluated using a two-stage method. This technique has the benefit of generating a more parsimonious model on the higher-level analysis without the need for lower-order constructs (Becker, 2012).

RESULTS

Construct Reliability and Validity

The convergent validity test was used to determine if a latent variable is well explained by its observable variables. The standardized loading coefficient, Cronbach alpha (α), Composite Reliability (CR), and Average Variance Extracted (AVE) are used to assess the construct reliability and convergent validity (Joseph et al., 2019). Table 1 showed that all factor loadings were within the acceptable criteria, greater than the threshold of 0.7, except for MO6- Our business emphasizes after-sales service (it was dropped). All composite reliability scores and Cronbach's alpha values are more than 0.7, indicating good reliability. The constructs' AVE values, which should be at least 0.5, were used to test the convergent validity. The AVE values in Table 1 revealed that all constructions met or surpassed the minimal requirement. As a result, convergent validity and reliability were assured.

The Fornell–Larcker criteria and the Heterotrait–Monotrait ratio (HTMT) were used to assess discriminant validity, with the former proposed by Fornell & Larcker (1981) and the latter introduced by Henseler, Ringle & Sarstedt (2015). According to the recommendation from Fornell and Larcker, the square root of AVE must be larger than the predicted correlation values, as shown in Table 2.

	BP	EO	MO	SMA
Business Performance (BP)	0.808			
Entrepreneurial Orientation (EO)	0.599	0.789		
Market Orientation (MO)	0.666	0.686	0.749	
Social Media Adoption (SMA)	0.63	0.734	0.681	0.77
Notes: the square root of AVE on the diagonal.				

HTMT values should be less than 0.85 (Henseler et al., 2015). Table 3 shows the findings of our discriminant validity examination using the HTMT criterion, which show that all values were less than 0.85. Hence, discriminant validity was assured, as all values exceeded the two evaluations' necessary requirements.

	BP	EO	MO	SMA
Business Performance (BP)	Criteria<0.85			
Entrepreneurial Orientation (EO)	0.675			
Market Orientation (MO)	0.741	0.776		
Social Media Adoption (SMA)	0.687	0.81	0.747	

Testing Results

The coefficient of determination R^2 was tested through PLS-SEM, which helps the predictive accuracy of the structural model. Generally, a higher R^2 indicates a better fit for the model. Scholars claimed that $R^2=0.75$ is substantial, $R^2=0.50$ is moderate, and $R^2=0.25$ is weak (Hair, Ringle & Sarstedt, 2011; Henseler, Ringle & Sinkovics, 2009). Specifically, the R^2 values of

SMA and business performance are 0.598 and 0.509, respectively. The results are considered moderate. Moreover, the f^2 values are higher than zero. Hence, the findings meet the requirement for the model's predictive power regarding predicting outside the sample.

PLS-SEM approach was used to estimate the direct and indirect effects of MO, EO, and SMA on business performance. The t -value obtained from the bootstrapping method reveals if the associated route coefficient is substantially different from zero (Hair et al., 2006). Table 4 reports the results from direct effects. All t -values are greater than 2.6 (significant level of 0.1 percent), except for H4 (EO \rightarrow BP). Thus, H1, H2, H3, and H5 are supported in the study, whereas H4 is not supported.

Path	Estimates	t-value	Confirm
H1. MO \rightarrow SMA	0.336***	4.54	Supported
H2. MO \rightarrow BP	0.481***	4.549	Supported
H3. EO \rightarrow SMA	0.503***	6.9	Supported
H4. EO \rightarrow BP	0.138	1.374	Not supported
H5. SMA \rightarrow BP	0.261***	2.659	Supported

Notes: *** $p < 0.01$.

Table 5 reports the findings from testing mediating effects. MO has a direct impact on BP and an indirect impact on BP through SMA. Hence, SMA has a complementary mediation influence with an indirect-effect path coefficient of 0.131. Otherwise, EO has no direct effect on BP. Meanwhile, the indirect effect of EO on BP *via* SMA is statistically significant. Therefore, SMA plays a full mediation role with an indirect effect path coefficient of 0.088.

Path	Direct effect	Indirect effect	Mediating test results
MO \rightarrow BP	0.393***		
MO \rightarrow SMA \rightarrow BP	0.393***	0.131**	Indirect effect (Complementary)
EO \rightarrow BP	0.138		
EO \rightarrow SMA \rightarrow BP	0.138	0.088**	Indirect effect (Full mediation)

Notes: ** $p < 0.05$, *** $p < 0.01$,

DISCUSSION

Theoretical Implications

The study has relevant theoretical implications regarding investing the direct and indirect effects of MO and EO on business performance *via* the social media adoption at SMEs in Vietnam. First, this paper established MO as a second-order construct, contrary to most previous studies that separate two dimensions of MO, such as customer orientation and competitor orientation (Herrero et al., 2018; Najib et al., 2017). Remarkably, the finding showed that MO has a very strong positive influence on SMA (H1: 0.336, $p < 0.001$). It is consistent with prior findings of positive relationships

between MO and e-marketing (Tsiotsou & Vlachopoulou, 2011) and communication tools (Herrero et al., 2018). The result provides a new understanding of SMEs' MO role in adopting social media as a communication tool.

Second, the results show that MO has both a significant and positive direct effect (H2: 0.481, $p < 0.001$) and an indirect effect on business performance. It means that SMA partially mediates the direct positive effect of MO on business performance. The result from the direct effect is in line with the previous studies (Harrison-Walker, 2001; Jogaratnam, 2017; Morgan et al., 2009), but not consistent with other findings performance (Au & Tse, 1995; Sargeant & Mohamad, 1999). From a theoretical perspective, this study also contributes to market orientation theory by investigating MO's direct and indirect effect on business performance. According to the resource-based view, competitive advantage is derived from an enterprise's ability to leverage resources. This study shows that the usage of social media is considered a source of sustained competitive advantage.

Third, the findings provide no evidence supporting EO's direct effect on business performance (H4: 0.138, $p > 0.1$, $t\text{-value} = 1.374$). This result is not in line with prior findings (Ajayi, 2016; Isichei et al., 2020; Kocak et al., 2017; Lumpkin & Dess, 1996), but it is consistent with the recent findings (Karami & Tang, 2019; Nguyen et al., 2021). EO is a resource-intensive strategy approach, and its performance consequences may be hampered without adequate resource support (Jiang, Liu, Fey & Jiang, 2018). However, the result demonstrates the indirect effect of EO on business performance *via* SMA. It implies that SMA plays a full mediating role in facilitating performance. Our results also confirm that both MO and EO are essential antecedents to SMA. Our research shows that the two most vital types of internal strategic orientations for SMEs (MO and EO) must be effectively deployed to enable the adoption of social media and thereby improve business performance.

Practical Implications

SMEs that mainly focus on EO strategies should emphasize, enhance, and integrate two key factors, such as innovativeness and proactiveness, in their strategic orientation, which can reinforce performance. In the age of modern technology, SMEs should constantly emphasize and improve innovativeness, research & development, and technological leadership. In other words, managers at SMEs may take advantage of social media platforms to promote and innovate new products/services, increase enterprise visibility, develop stronger customer relationships, improve sales, raising customer awareness and run advertising and promotion programs. Managers can proactively seek new opportunities before their rivals, become the first business to introduce new products or services, administrative techniques, operating technologies in the market, and lead the business trend. On the one hand, a strong EO may be critical to success in dynamic market conditions that demand aggressive product development, customer support systems, and highly adaptive product processes. On the other hand, a strong MO is also required to anchor a strong EO to those prospects that are most likely to be well-received by customers and the supply chain and ensure that opportunities are explored methodically and with discipline (Baker & Sinkula, 2009).

SMEs may utilize social media as an effective communication tool to gather information and clearly understand customer and competitor needs. Many social media platforms such as a social community (Facebook, Twitter, TikTok), social publishing websites (Websites, Blogs, E-News), E-commerce (Shopee, Lazada, Amazon), social entertainment applications (games online, game apps) are becoming more popular for doing business. It is worth noting that the top five most-used social media platforms in Vietnam are Facebook (90%), YouTube (89%), Zalo (74%), FB Messenger (74%), and Instagram (46%). SMEs should pay more attention to exploring business opportunities for creating business strategies to deploy social media usages from these top platforms.

CONCLUSION

The main idea of this study is to examine the effect of entrepreneurial orientation and market orientation on business performance through the mediating effects of social media adoption. Due to the existing argument on providing evidence to support the significantly positive and direct relationship between EO and business performance, this research has provided an empirical result to confirm no direct effect of EO on business performance at SMEs in Vietnam. Moreover, this paper illustrated the two main dimensions of the strategic orientation, including MO and EO, played an essential role in deploying SMA, enhancing business performance. Managers and decision-makers may better grasp the actual value of social media by identifying impact determinants. It also enables them to realize that appropriate and efficient use of social media would boost firm performance in different areas. SMEs should concern about customers' insight, customers' feedback, and also their need. After that, they can develop effective marketing strategies and adjust their social media activities to meet customers. Furthermore, SMEs can also clearly understand our competitors' activities and their strategy to have rapid responses and solutions to their competitors' actions. Pursuing EO enables managers to create an innovative environment and response proactiveness to adopt the best social media management tools.

LIMITATIONS

Although our research model has integrated the critical determinants to business performance, other factors may concern to modify the research model, such as different industries, organizational demographics, government regulations and policies, and social distancing lockdown. In order to generalize the findings of this study, more research into such contingent factors is needed. Moreover, social media adoption in this study focused on the broader perspective. Hence, future studies should compare the practical usages of unique social media platforms.

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