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The Influence of Strategic Orientation on Firm Performance Mediated by Social Media Orientation at MSMEs

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ABSTRACT

The main purpose of this research is to analyze the influence of strategic orientation on firm performance mediated by social media orientation at MSMEs. Strategic orientation includes market orientation, entrepreneurial orientation, technological orientation, and learning orientation.

The design used in this research is hypothesis testing by using Structural Equation Modeling (SEM). The respondent population of this research is all owners or managers of MSMEs located in DKI Jakarta area and have been running their business for at least 2 (two) years, and have used social media in their business. This study used a sample of respondents. The sampling was done by using non-probability sampling technique with purposive sampling method with 321 respondents.

The results of this study show that only learning orientation has a direct effect on firm performance, while for market orientation and entrepreneurial orientation requires mediation role from social media orientation, and for technological orientation either directly or after mediation by social media orientation still has no effect significant to firm performance. The variable that has the greatest influence on firm performance after mediated by social media orientation is the entrepreneurial orientation. The results of this study provide insight for MSMEs practitioners, in order to use their strategic activities to increase the use of social media so as to improve the firm performance.

This study has limitations, including not detailing the construct dimension of social media orientation into two dimensions of visibility and Sales and business development, and the sample of respondents from this study is only the perpetrators of MSMEs located in the area of DKI Jakarta. This can be a suggestion for further research. The model proposed in this study is to add the role of social media orientation as a mediation variable in the relationship between strategic orientation with firm performance.

Keywords: MSMEs, Strategic Orientation, Social Media Orientation, and Firm performance

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are able to move the economy of a country, including increasing economic growth and employment. MSMEs Indonesia is able to contribute 97.22% of total employment and 60.34% of total Gross Domestic Product (Kemenperin, 2016). Based on data of 2015, the total number of entrepreneurs in Indonesia amounted to 59,267,759 units. From these data, UMKM has a very large portion of 99.99% or as many as 59,262,772 units and the remaining 0.01% or 4,987 units is big business (Kementerian KUKM, 2016). MSME's important role is not only for growth in big cities but also for economic growth in rural areas. Although MSMEs have a big role, but still have many obstacles and constraints both internal and external. Internally, the constraints faced include capital, human resources (HR), law and accountability. Externally, the constraints faced include the business climate is still not conducive, infrastructure constraints, and access barriers (LPPI & BI, 2015). With such constraints, there must be efforts by both government and SME business actors to overcome them, so that the performance of MSMEs can continue to be improved, especially now that it has entered the era of globalization where the level of competition between countries is quite tight.

Gatignon and Xuereb (1997) explain that the concept of strategic orientation is an activity that can be used to develop and improve superior performance. Therefore, interaction between different strategic orientations, can provide a competitive advantage that can improve performance (Hult et al., 2005). Ibrahim and Shariff (2016) provide insights from strategic orientation dimensions by integrating market orientation, technological orientation, entrepreneurial orientation, and learning orientation and elaborating on how these orientations interact with others.

Many researches on firm performance have used some firm resources to investigate factors affecting the performance of MSMEs, among others, research conducted by Lita and Faisal (2018) states a positive and significant relationship between market orientation and learning orientation to performance, performed by Song and Jing (2017) suggest a positive and significant relationship between entrepreneurial orientation and technological orientation to performance. There are also researchers who report a non-significant relationship between strategic orientation variables and firm performance. Among these are studies that suggest a non-significant relationship between entrepreneurial orientation and firm performance (Frank et al., 2010; Baker & Sinkula, 2009; Stam & Elfring, 2008). Several studies reported no significant direct effect of market orientation on firm performance (Polat & Mutlu, 2012;

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Suliyanto & Rahab, 2012). In addition some studies have found that learning orientation has no significant direct effect on performance (Suliyanto & Rahab, 2012; Long, 2013). Similarly, there are studies that do not find a significant relationship between technological orientation and performance (Voss & Voss, 2000; Hakala & Kohtamaki, 2010; Hortinha et al., 2011).

Baker and Sinkula (2009), Covin and Lumpkin (2011), and Kollmann and Stöckmann (2014) stated that solving this problem requires a more complete and more detailed understanding of the mediation mechanism. Therefore, in determining the relationship of strategic orientation and effective firm performance it is necessary to consider the mediation variables (Ibrahim & Shariff, 2016). Zhou et al. (2007) examines SMEs and found that social media play a significant mediation role in performance. According to Ostrom et al., (2015) advances in information technology have resulted in a revolutionary business outburst. The use of internet technology has become a common practice in the workplace and the internet is a communication medium that helps organizations to do business anytime and anywhere (Chen et al., 2008). Social media has spearheaded the platform to build and manage transactional and relational activities in the firm (Kaplan & Haenlein, 2010; Kumar et al., 2016). Parveen et al. (2016) has revealed that social media has a positive influence on firm performance. While the results of Dutot and Bergeron (2016) found that a strategic orientation consisting of entrepreneurial orientation, consumer orientation and technological orientation, has a positive influence on social media orientation. Until now there has been no research that incorporates social media orientation as a mediating variable from the influence of strategic orientation on firm performance, so the gap is an opportunity for this dissertation to examine it. This study differs from previous research conducted by Dutot and Bergeron (2016) which made social media orientation a mediation variable between strategic orientation and social media performance and research conducted by Ibrahim and Shariff (2016) which made financial access a mediation variable between orientation strategic with firm performance. Referring to the background and limitations of previous research, the problem stobe discussed in this research are:

1. Is there a positive effect of market orientation on firm performance?
2. Is there a positive effect of entrepreneurial orientation on firm performance?
3. Is there a positive effect of technological orientation on firm performance?
4. Is there a positive effect of learning orientation on firm performance?
5. Is there a positive effect of market orientation on social media orientation?
6. Is there a positive effect of entrepreneurial orientation on social media orientation?
7. Is there a positive effect of technological orientation on social media orientation?
8. Is there a positive effect of learning orientation on social media orientation?
9. Is there a positive effect of social media orientation on firm performance?

LITERATURE REVIEW AND ASSESSMENT

Performance is generally known as a measure of success in strategic decision making that increases resources effectively and efficiently to maintain business, and business performance

is often associated with corporate strategic planning (Najib et al., 2017). Measuring company performance has become a method for all stakeholders, such as business owners, investors, management, etc., who invest in organizations. Even non-profit organizations have started tracking the firm's performance so as to face scarce resources (Kaplan, 2001). To assess how well a business performs, stakeholders not only use financial performance measures (eg stock prices, earnings, earnings per share), but non-financial actions (eg customer satisfaction, employee satisfaction, employee compensation, supplier relationships relative to competitors, franchisee satisfaction) (Kaplan, 2001). In some small business literature, the performance of MSME has been studied by a number of researchers. Much of this research has focused on investigating the determinants of MSME performance, where several variables have been identified (Ibrahim & shariff, 2016). However, Sandberg (2003) argues that the performance of MSMEs is the ability to survive, grow and contribute to job creation and alleviate poverty. Najib et al., (2017) states that performance measures factors include; sales growth (sales growth is a very common indicator of performance and has become consensus as the best measure of growth dimension), market share growth (used to measure market effectiveness in addition to assessing a company's ability to achieve market scale and market efficiency), and profitability generate profits and to find out how many companies are managed effectively).

Strategic orientation has been discussed in various literatures, including in strategic management literature, marketing management and entrepreneurship. Strategic orientation refers to a company's tendency to allocate and coordinate resources in certain ways to achieve competitive advantage and firm performance (Cadogan, 2012). Although the marketing literature and strategic management have revealed that the company's strategic orientation is a significant indicator of performance (Grinstein, 2008), some literature also suggests that strategic orientation encompasses several different strategic focuses in various studies (Kim et al., 2013). The main strategic orientation typology proposed by Narver and Slater (1990) and Slater and Narver (1994) considered a pilot study of the impact of market orientation on corporate performance; Lumpkin and Dess (1996) pioneered an entrepreneurial orientation; then technological orientation by Gatignon and Xuereb (1997) and Sinkula et al. (1997) studied learning orientation. A number of studies have shown that market orientation, technological orientation, entrepreneurship orientation, and learning orientation are the most important corporate resources that can give companies a competitive advantage and produce better performance (Ibrahim & Shariff, 2016). Therefore, this study uses these four dimensions in measuring strategic orientation variables.

Market orientation is a major strategic element that gets a lot of attention as it can enhance the organization's ability to adapt in a dynamic market environment (Choi, 2014). The market orientation of entry in research and scientific studies since the 1980s has to do with management action. Shapiro (1988) defines market orientation as organizational decision-making entirely based on information from customer preferences. Market-oriented organizations are those who are committed to understanding customer needs, sharing customer-related information across the organization and building coordination among all functional areas to create the best value for customers (Fang et al., 2014; Jebarajakirthy et al., 2016; Hussain et al., 2017). The researchers show that positive market orientation affects company performance (Lita & Faisal, 2018;

Long, 2013; Laukkanen et al., 2013; Idar & Mahmood, 2011; Mahmoud, 2010).

The entrepreneurial orientation refers to processes, practices and decision-making activities that lead to newcomers with a tendency to act autonomously, the willingness to innovate and take risks, the tendency to be aggressive towards competitors and relatively proactive to market opportunities (Lumpkin & Dess, 1996). Entrepreneurship-oriented companies have the ability to tailor their operations in a dynamic competitive environment, to transform and shape the environment, and have a commitment to resources to exploit uncertain opportunities (Covin & Slevin, 1989; Hakala, 2011). The researchers point out that entrepreneurial orientation positively affects company performance because entrepreneur-oriented companies have more ability to adapt and shape the environment (Gupta & Gupta, 2015; Chandrakumara et al., 2011; Grande et al. 2011; Wiklund & Shepherd, 2005; Hult et al., 2004).

Technological orientation is the ability and willingness of a company to develop a technology mindset and utilize it in improving or developing products and services (Gatignon & Xuereb, 1997). In addition, technological orientation refers to the tendency to invest in monitoring and adopting technological innovations (Dvir et al., 1993) and on the tendency of firms to often engage with new technologies (Sainio et al., 2012). A technology-oriented company that combines customer value innovation with technological innovation has a greater chance of maintaining high returns and performance (Batra et al., 2015). Researchers point out that positive technological orientation affects company performance (Song & Jing, 2017; Spanjol et al., 2011; Mu & Di Benedetto, 2011; Salavou, 2010; Hoq, 2009; and Paladino, 2007; Gao et al., 2007; Gatignon & Xuereb, 1997)

Learning orientation refers to firm values that influence the tendency to create and use knowledge to achieve competitive advantage (Sinkula et al., 1997; Wang, 2008). Values associated with the learning orientation consist of commitment to learning, shared vision, and open-mindedness (Day, 1994; Sinkula et al., 1997). A company with a learning orientation views the importance of being oriented towards developing new skills, preferring challenging jobs, and demonstrating a high curiosity for new ways of improving performance (Herhausen & Schögel, 2013). Companies with higher levels of learning orientation are better able to outperform their competitors, which is one way for organizations to survive in highly competitive environments (Sadler-Smith et al., 2001). Strategic management literature sees learning as one of the company's strategic orientations because it reflects the mentality and confidence of top managers (Hitt et al., 1997) and is implemented by the company as a strategic direction that leads to the promotion of behavior that results in superior performance (Gatignon & Xuereb 1997). The researchers show that the orientation of positive learning affects the company's performance (Song & Jing, 2017; Hakala, 2013; Mahmoud & Yusif, 2012).

There are also researchers who report an insignificant relationship between strategic orientation variables (market orientation, entrepreneurship orientation, technological orientation and learning orientation) with firm performance (Long, 2013; Polat & Mutlu, 2012; Hortinha et al., 2011 Frank et al., 2010). Therefore, in determining the relationship of strategic orientation and effective company performance it is necessary to consider the mediation variables (Ibrahim & Shariff, 2016). Zhou et al. (2007) examines SMEs and found that social media play a significant mediation role on performance. According to Mount

and Garcia Martinez (2014) and Kim and Ko (2012), social media is a set of online tools open to public membership and that supports sharing ideas, creating and editing content, and building relationships through interaction and collaboration. Social media is based on a set of Internet-based applications that enhance the development of absorbed content and provide a forum for user interaction (O'Leary, 2011). Social media orientation is a discussion developed by Dutot and Bergeron (2016) and defines it as a set of principles and goals that direct and influence corporate activity on social media to improve performance. Social media is not only appropriate for large organizations, but also for small and medium size companies (Karimi and Naghibi, 2015). Social media has been seen as an effective advertising medium for corporate commercial purposes and better business performance (Rapp et al., 2013).

RESEARCH METHODS

The research design used in this research is Hypothesis Testing (Testing Hypothesis). This study aims to examine the influence of strategic orientation which consists of market orientation, entrepreneurial orientation, technological orientation, and learning orientation towards social media orientation which ultimately affects firm performance. The type of relationship between the variables studied is causal, as it explains the cause of one or more problems. The level of involvement of researchers in the study is low, because researchers only form conceptual framework, formulate hypotheses, operate variables, collect relevant data and analyze the results or research findings. The respondent population of this research is all owners or managers of MSMEs located in DKI Jakarta area and have been running their business for at least 2 (two) years, and have used social media in their business, but the population data of the respondents is not available with certainty. The size of the sample is very sensitive to the results of statistical tests. Hair et al., (2010) shows that the minimum sample size is 5-10 times the number of parameters or indicators used. This study has 30 indicators, based on these criteria then the minimum sample size used is $(5 \times 30 \text{ indicators}) = 150$ respondents. However Hair et al., (2010) says if using Structural Equation Model (SEM) then the ideal minimum sample amount is 200 respondents. Sekaran and Bougie (2010) report that according to Roscoe, the size of the sample considered to be sufficient in most studies ranges from 30 to 500 respondents, in addition to multivariate research (including multiple regression analysis), the sample size should be 10x greater than the number variables in the study. This study has 6 variables, so based on Roscoe criteria above, the minimum sample size in this study is $(10 \times 6 \text{ variables}) = 60$ respondents.

Based on the criteria presented by Hair et al. (2010) and Sekaran and Bougie (2010) above, the minimum sample size in this study is 200 respondents, but to anticipate the drop out, the number of respondents is 350 respondents. Source of data used in this research is primary data, that is data obtained by researcher directly from first source. While the technique used for data collection in this research is by questionnaire technique, done by distributing questionnaires to the respondents, either directly or using online media proportionally in 5 (five) municipal areas in DKI Jakarta. For each region, 70 questionnaires were distributed. Technically, the questionnaire was distributed by a team of 5 people each representing a territory. Respondents were selected if they were in accordance with the criteria of the unit of analysis that had been determined, ie those who became owners or managers of MSMEs located in Jakarta and had run

their business for at least 2 (two) years and using social media in their business. The research environment in this study is noncontrived setting (not planned) because it is done naturally, that is directly on the respondents who are in the location of their business or through online media. Based on the time dimension, this study is a cross sectional study, because the data is collected at one time. This study used a sample of respondents. Sampling was done by non-probability sampling technique with purposive sampling method. Non-probability sampling is a sampling technique in which the population element does not have the same opportunity or opportunity to be selected to be a sample. And purposive sampling, that is sampling method based on certain criterion or consideration (Sekaran & Bougie, 2010). From 350 questionnaires filled, 29 questionnaires cannot be used because the questionnaire is incomplete and inconsistent, so only 321 questionnaires are processed in data processing.

Testing of research instruments is done by testing the validity and reliability. This test is done by using confirmatory factor analysis that is by considering the value of loading factor. The indicator used is valid if the loading factor value is at least 0.35 (Hair et al., 2010). Reliability testing is performed to see if the indicator used is reliable or not by referring to the coefficient of Cronbach's Alpha; with the following basic decision making (Sekaran and Bougie, 2010):

- a. If Cronbach's Alpha \geq 0.6 then the construct used reliably.
- b. If Cronbach's Alpha $<$ 0.6 then the constructs used are not reliable.

Table 1: Testing the validity and reliability for Market Orientation variables

Items and Variable	Loading Factor	Cronbach's Alpha	Decision
MO1	0,696		Valid
MO2	0,529		Valid
MO3	0,623		Valid
MO4	0,592		Valid
MO5	0,596		Valid
Market Orientation		0,746	Reliable

Table 2: Testing the validity and reliability for Entrepreneurial Orientation variables

Items and Variable	Loading Factor	Cronbach's Alpha	Decision
EO1	0,532		Valid
EO2	0,567		Valid
EO3	0,629		Valid
EO4	0,630		Valid
EO5	0,591		Valid
Entrepreneurial Orientation		0,725	Reliable

Table 3: Testing the validity and reliability for Technological Orientation variables

Items and Variable	Loading Factor	Cronbach's Alpha	Decision
TO1	0,618		Valid
TO2	0,621		Valid
TO3	0,698		Valid
TO4	0,770		Valid
Technological Orientation		0,771	Reliable

Table 4: Testing the validity and reliability for the Learning Orientation variables

Items and Variable	Loading Factor	Cronbach's Alpha	Decision
LO1	0,664		Valid
LO2	0,617		Valid
LO3	0,688		Valid
LO4	0,692		Valid
LO5	0,739		Valid
LO6	0,654		Valid
Learning Orientation		0,833	Reliable

Table 5: Testing validity and reliability for Social Media Orientation variable

Items and Variable	Loading Factor	Cronbach's Alpha	Decision
SMO1	0,827		Valid
SMO2	0,785		Valid
SMO3	0,794		Valid
SMO4	0,563		Valid
SMO5	0,721		Valid
Social Media Orientation		0,849	Reliable

Table 6: Testing validity and reliability for Firm Performance variable

Items and Variable	Loading Factor	Cronbach's Alpha	Decision
FP1	0,627		Valid
FP2	0,745		Valid
FP3	0,755		Valid
FP4	0,662		Valid
FP5	0,744		Valid
Firm Performance		0,829	Reliable

Table 1 shows that the five indicators of market orientation statement have Confirmatory Factor Analysis value greater than 0.35 and Cronbach Alpha value for market orientation variables of 0.746 So that all statements are considered valid and can measure market orientation variables as well as variables Market orientation is considered reliable because the value of Cronbach alpha $>$ 0.600. Table 2 shows that the five Indicators for the entrepreneurship orientation variables have Confirmatory Factor Analysis (CFA) $>$ 0.35 and Cronbach Alpha values for the entrepreneurship orientation variable of 0.7215. So it can be concluded that all indicators are valid and can measure the entrepreneurship orientation variables appropriately as well as entrepreneurship orientation variables are considered reliable because the value of Cronbach alpha $>$ 0.600. Table 3 shows that the five Indicators for Technological Orientation variables have Confirmatory Factor Analysis (CFA) $>$ 0.35 and Cronbach Alpha for technological orientation variable of 0.771. So it can be concluded that all the indicators are valid and can measure the variables orientation technology appropriately and technological orientation variables are considered reliable because the value of Cronbach alpha $>$ 0.600. Table 4 shows that the six indicators of measurement of learning orientation variables have Confirmatory factor analysis value (CFA) higher than the cut off value of 0.35 and Cronbach Alpha value for the learning orientation variable of 0.833 So it can be concluded that all

indicators can measure learning orientation variables appropriately and market orientation variables are considered reliable because the value of Cronbach alpha > 0.600. Table 5 shows that all the measurement indicators of social media orientation variables have Confirmatory Factor Analysis (CFA) values above 0.35 and Cronbach Alpha values for social media orientation variables of 0.849. Therefore, it can be concluded that the five indicators of measurement of social media orientation variables are valid and can accurately measure social media orientation variables and social media orientation variables are considered reliable because the value of Cronbach alpha > 0.600. Table 6 shows that all performance measurement indicators of firm have Confirmatory Factor Analysis (CFA) value above 0,35 and Cronbach Alpha value for company

performance variable equal to 0,829. Therefore it can be concluded that the five indicators of measurement of Company Performance variables are valid and can measure exactly those variables and company performance variables are considered reliable because the value of Cronbach alpha > 0.600

RESULTAND ANALYSIS

Data in this research were analyzed by using univariate and multivariate analysis. Univariate analysis was used to analyze each variable used in this study by calculating central tendency, ie mean with SEM analysis tool that was processed using AMOS program version 6.0.

Table 7: Goodness of fit Test Results

Indicator	Size of Fit	Recommended acceptance limit (Hair, et al)	Estimate	Conclusion
Absolute fit measures	<i>Chi-square</i>	<i>Small Chi-square</i>	11125.486	Poor fit
	<i>p-value Chi-square</i>	≥ 0.05	0,000	Poor fit
	RMSEA	≤ 0.10	0,077	Good fit
	GFI	≥ 0.90	0,813	Marginal fit
Incremental fir measures	NFI	≥ 0.90	0,757	Poor fit
	TLI	≥ 0.90	0,805	Marginal fit
	RFI	≥ 0.90	0,729	Poor fit
	CFI	≥ 0.90	0,825	Marginal fit
	AGFI	≥ 0.90	0,777	Marginal fit
Parsimonious fit measure	CMIN/DF	Lower limit: 1.0 Upper limit: 2.0; 3.0 or 5.0	2,886	Good fit

Source: SEM Output

Goodness-of-Fit evaluation is conducted to assess the extent to which the data and models used meet the SEM assumptions. The evaluation is done on the overall model and followed by an evaluation of the measurement and structural model separately (hair et al., 2010). Hair et al., (2010) states that from some Absolute Fit Measure and Incremental Fit Measure test results, if the result of one "fit" test, it can be concluded that the model used fit. Based on Table 7 above, the result of goodness of fit test can be stated that the research model is stated goodness of fit as seen from RMSEA value, and CMIN / DF stated Good Fit can be interpreted that the model passed the goodness of fit test and can be done next test stage. Based on the results of

conformity test of this model then the next step in the form of hypothesis testing by using Structural Equation Modeling (SEM) can be done. The model of Structural Equation Modeling is shown by Figure 1

Hypothesis testing is done by comparing p-value with significance level, with the following conditions (Hair et al, 2010 and sekaran and Bougie, 2010):

1. If p-value ≤ 0.05 then Ho is rejected and research hypothesis supported (supported).
2. If p-value > 0,05 then Ho fails to be rejected and research hypothesis is not supported (not supported).

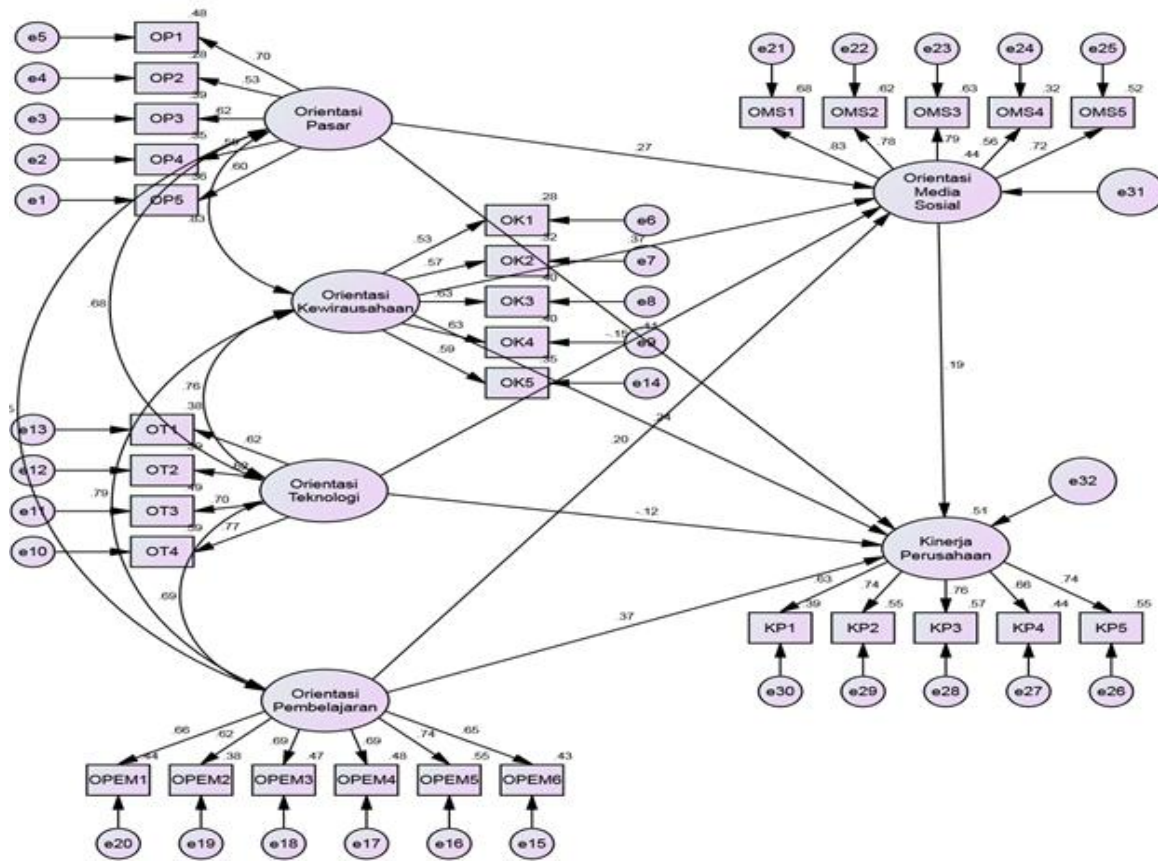


Figure 1: Output Structural Equation Modeling (SEM)

Table 8: Hypothesis Test Results

Hypothesis	Coefficient	p-value	Decision
The Effect of Strategic Orientation on Firm Performance			
H1: Market Orientation has positive effect on Firm Performance	0,120	0,2190	H1 Not supported
H2: Entrepreneurial Orientation has a positive effect on Firm Performance	0,276	0,1270	H2 Not supported
H3: Technological Orientation has a positive effect on Firm Performance	-0,088	0,1360	H3 Not supported
H4: Learning Orientation has a positive effect on Firm Performance	0,370	0,0010	H4 supported
The Effect of Strategic Orientation on Social Media Orientation			
H5: Market Orientation has positive effect on Social Media Orientation	0,316	0,0385	H5 supported
H6: Entrepreneurial Orientation has positive effect on Social Media Orientation	0,470	0,0445	H6 supported
H7: Technological Orientation has positive effect on Social Media Orientation	-0,121	0,0900	H7 Not supported
H8: Learning Orientation has positive effect on Social Media Orientation	0,222	0,0470	H8 supported
H9: Social Media Orientation has a positive effect on Firm performance	0,169	0,0075	H9 supported

Source: SEM Output

SUMMARY AND CONCLUSION

Based on the hypothesis test, it can be concluded that the Strategic Orientation on MSME that is Market Orientation, Entrepreneurial Orientation, and Learning Orientation significantly influence Firm Performance if mediated by Social Media Orientation. Based on the proposed hypothesis, it can be concluded that:

1. Market Orientation does not significantly affect Firm Performance, but Market Orientation positively and significantly affects Firm Performance if mediated by Social Media Orientation, so in this connection social media orientation is said to be a complete mediation variable. This means that if the owners of SME businesses have a higher Market Orientation then they

will have a higher Social Media Orientation, which will then impact on improving the performance of the firm.

2. Entrepreneurial Orientation does not significantly affect the Firm's Performance, but the Entrepreneurial Orientation positively and significantly affects the Firm's Performance if mediated by Social Media Orientation, so in this connection social media orientation is said to be a complete mediation variable. This means that if the owners of SMEs business has an Entrepreneurial Orientation that the higher then they will have a Social Media Orientation is also higher, which then will have an impact on improving firm performance.
3. Technological Orientation does not significantly affect Corporate Performance, and also Technology Orientation does not significantly affect Corporate Performance if mediated by Social Media Orientation.
4. Learning Orientation positively and significantly affects Corporate Performance, but the influence of Learning Orientation on Corporate Performance is smaller if mediated by Social Media Orientation, so Social media orientation does not act as a mediation variable in this relationship. This means that if the owners of SMEs business has a higher learning orientation will have a direct impact on improving the firm's performance.
5. Market orientation positively and significantly affects Social Media Orientation. This means that if the owners of SMEs business has a higher Market Orientation then they will have a higher Social Media Orientation as well.
6. Entrepreneurial Orientation positively and significantly affects Social Media Orientation. This means that if the owners of SME businesses have an Entrepreneurial Orientation that the higher then they will have a Social Media Orientation is also higher.
7. Technological Orientation does not significantly affect Social Media Orientation.
8. Learning Orientation positively and significantly affects Social Media Orientation. This means that if the owners of SMEs business has a higher learning orientation then they will also have a higher Social Media Orientation as well.
9. Social Media Orientation positively and significantly affects Firm Performance. This means that if the owners of SME businesses have an Entrepreneurial Orientation that the higher then they will have a Social Media Orientation is also higher.

Strategic Orientation discussed in this research are Market Orientation, Entrepreneurial Orientation, Technological Orientation and Learning Orientation, only one variable is Technological Orientation which not significantly affect Firm Performance either directly or through Mediation Social Media Orientation. Strategic Orientation Variables The greatest impact on Firm Performance after mediated by Social Media Orientation, is the Entrepreneurial Orientation, which is 0.470 (table 8).

The general conclusion or main finding of the results of this study is to reveal that Social Media Orientation as a complete mediation variable on the relationship between Strategic Orientation (Market Orientation and Entrepreneurial Orientation) with Firm Performance.

THEORETICAL IMPLICATIONS

Based on the results of these studies can be put forward the following theoretical implications:

1. The result of this research reveals that 3 variables of Strategic Orientation that is Market Orientation, Entrepreneurial Orientation, and Technology Orientation do not significantly influence Firm Performance directly, while Learning Orientation significantly influence Direct Firm Performance.
2. The results of this study indicate that Social Media Orientation has a role in mediating the influence of Market Orientation and Orientation of Entrepreneurial to Firm Performance or the result of this research reveals that Social Media Orientation as a mediating variable influence Strategic Orientation (Market Orientation and Entrepreneurial Orientation) to Firm Performance.
3. The results of this study also indicate that the Strategic Orientation in the form of Learning Orientation will affect the Firm's performance is greater if without mediation. While the Strategic Orientation in the form of Technology Orientation has an insignificant influence either directly on Corporate Performance or through Mediation of Social Media Orientation.
4. Strategic orientation is the discussion in the strategic management literature, which refers to the tendency of companies to allocate and coordinate resources in certain ways to achieve competitive advantage and firm performance (Cadogan, 2012). So this research contributes in strategic management literature in the form of mediation role from Social Media Orientation to relationship between Strategic Orientation and Firm Performance.

MANAGERIAL IMPLICATIONS

In order to improve the customer performance, market performance, and financial performance of a firm, every business actor of MSMEs should pay attention to the main factors affecting the firm's performance that is market orientation, entrepreneurial orientation, and learning orientation.

1. Market Orientation

MSMEs are expected to commit to respond quickly to competitors' actions, assess customer satisfaction, actively assess competitors' behavior, and coordinate all functions within the organization to maximize customer satisfaction.

2. Entrepreneurial Orientation

MSMEs are expected to act independently in raising ideas in pursuit of opportunities; engage and support in innovation processes that may produce new products, services or process technologies; willing to take big risks to achieve growth; continuously introducing new products and services to achieve growth; and keep trying to stay ahead of competitors to achieve growth.

3. Learning Orientation.

MSMEs are expected to understand that the business unit's ability to learn is the key to competitive advantage; have confidence that employee learning is an investment, not a cost; An agreement on the vision of business units at all levels, functions, and divisions; All employees are committed to the

purpose of the business unit; placing a high value on the open-mindedness; and encourage employees to "think outside the box" or think creatively.

4. Social Media Orientation.

UMKM actors are expected to make social media to promote the latest products, improve firm visibility / presence, improve customer relationship management, improve customer database, and use it to improve sales.

If this is successful then the level of customer satisfaction is expected to be better than the previous year, in addition to the level of customer loyalty (loyalty), sales volume, and profitability development will be better than competitors.

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