Social Media As An Driver Of Business Performance Through The Company Reputation

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Abstract
This study aims to: a) measure and analyze how much influence social media has on business performance both directly and indirectly through the company's reputation, b) measure and analyze how much influence the reputation of the company on business performance. Research use survey method with data collection using questionnaires and interviews. The population of this research is all hotels in Makassar, which are 157 hotels. Samples used in the study were taken as many as 70 based on the number of questionnaires returned. A total of 70 samples have met the criteria for testing using the Partial Least Square (PL S) analysis tool . The main analysis in this study is the organization or the hotel manager. Respondents representing the unit of analysis at the manager level . The analytical method used is Structural equation modeling (SEM) with short or Partial least square path modeling (PLS-PM) using the Smart PLS 3 application program. The results of this study indicate thata) social media has a significant positive effect on business performance, b) social media has a significant positive effect on company reputation, c) social media has a significant positive effect on business performance indirectly through company reputation, d) company reputation has a significant positive effect on business performance.

***Index Terms*:** Social media, performance, company reputation

I. INTRODUCTION

Tourism is one sector that plays a major role in the economy of a country. This is evident from the domestic income provided by the tourism sector, such as contributors to the country's foreign exchange and job creation. Tourism can be a security for the economy in a country if the tourism sector in a country is managed properly. The tourism business in Indonesia is quite potential considering that Indonesia naturally has a lot of potential natural beauty, diversity and cultural uniqueness and so on. All of these potentials become capital in the tourism industry and their sustainability is still maintained. Tourism activities create demand, both consumption and investment, which in turn will lead to activities in the production of goods and services so that investment in various fields is needed, such as hospitality. It is widely known that the relationship between the hotel industry and tourism is closely interrelated, this is inseparable from the fact that the hotel industry is one of the backbones supporting the development of the tourism sector. The contribution of the hotel industry will have implications for the development of tourism and become one of the benchmarks of a region's success in promoting or inviting tourists to come to the area.

Hospitality accommodation can not be separated by tourism. Without tourism activities, it can be said that hotel accommodations will be paralyzed, otherwise tourism without hotels is impossible. The hotel includes the principal means of tourism (*around tourism superstructures*), this means that life and living tar hanging on a lot or at least the tourists who come. Especially now developing a type of tourism that the market potential is people who travel for the purpose of conferences, seminars, symposia, workshops, discusion national and other such activities which would require facilities or infrastructure. However, in the tourism industry, hotels are not the only form of accommodation for tourists and other travelers, but there are still many accommodations known as *supplementary accommodations,* including: 1) jasmine hotels, 2) lodging, 3) pondok wisata, 4) Villa, and other accommodation services *(Kabarindonesia.com).*

Several benchmarks to determine success in bringing tourists to tourist destinations such as the number of tourists, the length of stay of tourists and hotel occupancy rates. The number of tourists staying at the hotel can indicate the number of tourists visiting the area, the length of stay of the tourists also plays an important role in knowing how interested tourists are in the area they visit. The longer tourists stay in an area, this indicates that the area is indeed in demand by tourists. In addition, the percentage or level of hotel occupancy also plays a role to see the success of a hotel, the higher the occupancy rate means the more number of rooms that can be sold.

Since the year 2012 to the year 2016, the development of the number of foreign guests in hotels is constantly increasing, as is the case with foreign guests in non-star hotels continue to show improvement, only in 2015 has decreased the number of guests. As for the development of the number of Indonesian guests at starred hotels from 2012 to 2016 also continues to experience an increase, while the number of Indonesian guests at non-starred hotels from 2012 to 2016, the trend also increased only in 2015 experienced a drastic decrease of 50% more if compared to 2014. Despite a decline in 2015, in 2016 the number of Indonesian guests at non-star hotels increased by more than 50%.

For the average length of stay of foreign guests in starred hotels, there was an increase from 2012 to 2014, but after that in 2015 and 2016 continued to decline, as was the case with non-star hotels, the average length of stay of foreign guests in non-hotels stars increased from 2012 to 2014, but after that, in 2015 and 2016, they continued to decline. As for the development of the average length of stay of Indonesian guests at starred hotels in 2012 and 2014 there was an increase, after that, in 2015 and 2016 continued to decline. Likewise, the development of the average length of stay of Indonesian guests in starred hotels, namely in 2012 to 2014, has increased, then afterwards it has decreased in 2015 and 2016. For the average length of stay of Indonesian guests in non-star hotels only happened from 2012 to 2013, after that, it continued to decline until 2016.

The growth of hospitality is not only general in Indonesia, but in the province of South Sulawesi there is also growth in this sector. However, the growth of hospitality in South Sulawesi was not followed by an increase in room occupancy , which indicates that there are still obstacles in managing the hospitality. The development of telecommunications in South Sulawesi shows that there was no increase in the number of star-rated hotels in 2012 to 2013, namely only 57 star-rated hotels. Later in 2013 will continue to grow until 2016. For the number of non-star hotels, an increase in the number of hotels also occurred in 2012 to 2015, but in 2016 there was a decrease in the number of non-star hotels. As for the room occupancy rate, the increase in occupancy rates of starred hotel rooms from 2012 to 2013 increased from 49.60 to 53.93. However, in the following years until 2016, the occupancy rate of star-rated hotels in South Sulawesi continued to decline. Meanwhile, for non-star hotel room occupancy rates, the decline will continue until 2015, then in 2016 there will be an increase.

The phenomenon of hospitality in South Sulawesi can be seen that the number of star and non-star hotels continues to grow from year to year, but this development is not always followed by an increase in room occupancy rates. Seen in star and non-star hotels, it appears that the increase in the number is not followed by an increase in the occupancy rate of the rooms, a significant increase is not followed by a balanced demand.

Studies conducted by (WG Kim, Lim, & Brymer, 2015) contribute to hotel marketing and social media literature by managing online reviews as an important determinant of hotel performance. Hospitality needs to allocate resources to regularly respond to negative online comments from customers on social media networks and other travel websites to meet customer needs and increase customer satisfaction. Businesses today must explore how to make full use of traditional media and new social media for marketing. not only relying on traditional marketing or completely changing their channel to online marketing but looking for ways to maximize their communication through interactive media to reach their customers. Whether positive or negative reviews, exposure on social media can help hotels create strong brand awareness and increase booking opportunities by increasing eWOM advertising. Hotel marketers must collect and monitor overall ratings as key internal metrics such as traditional customer satisfaction ratings. In addition, hotel managers must make their best efforts to improve online reviews, thereby improving hotel performance. Negative comments can be significantly linked, for example, room cleanliness, facilities, and location as well as intangibles such as service and staff member elements, so that managers can show how the hotel faces some deficiencies by responding to customers, and they can increase budget allocations in the right areas for improvement hotel. By increasing areas that are relatively less efficient in hotel products and services, hotels can expect far better online reviews from customers. The results of the study (WG Kim et al., 2015) show that managing online reviews leads to improved hotel performance.

Studies to understand the use of social networking sites are hospitality in a resource-based and capability-based perspective conducted (WH Kim & Chae, 2018) that explores the relationship between company access to resources and the use of Social Networking Sites and the relationship between social networking Site usage and performance in industry hotel. Hotels must see Twitter as a potential strategic tool for business operations and seek to improve their ability to utilize Twitter and other social networks for organizational purposes such as sales, promotions, customer service. The use of social media is an innovative business practice that requires the incorporation of company resources, hotel resources are expected to influence the adoption and use of social media. A positive relationship is found between the level of use of social media and hotel performance. The use of social media is seen as an organizational capability and considers the involvement of eWOM and customers.

(Schaarschmidt & Walsh, 2018) explained that when employees use social media, their behavior can be attributed to their superiors, thus forming the company's reputation in the view of various stakeholders. As such, employees are advised to use social media in a manner consistent with social norms on social media to avoid damaging the reputation of their company. Research conducted (Schaarschmidt & Walsh, 2018) about work related to employees and social media to connect the appearance of corporate social media with the appropriate employee social media behavior. The point is employee awareness can shape the reputation of the company. Everywhere social media outside and inside the workplace requires companies to consider employee communication activities to ensure that their company's reputation does not compromise unwise use of social media. The results found that the use of social media has an impact on awareness of the company's reputation.

The study (Carmeli & Tishler, 2005) highlights the strategic role perceived organizational reputation in creating superior performance among industrial companies. It was explained that only high quality products / services that meet customer expectations and ensure customer satisfaction creates sufficient conditions for a favorable organizational reputation. The findings of his research indicate that the perception of an organization's reputation influences company performance. Building a favorable organizational reputation is a long and expensive process and returns on the organization's reputation must be expected in the long run, so that the reputation of the organization has a direct effect on the company's growth and the accumulation of customer orders.

The study (Karjaluoto, Hanna, & Joel, 2016) developed a proposition to examine the relationship between company activity on social media and company reputation and company performance. This is based on the idea that customers want to participate, interact, and create value, and social media gives companies the possibility to participate and interact with customers, which leads to greater involvement and commitment and greater customer satisfaction, which leads to reputation better company. His research contributions show that companies that are more active have a better reputation than those who are not active on social media.

Previous studies based on the description above only connect social media with company reputation, as well as social media with performance and reputation and performance, therefore, the authors are motivated to examine the effect of social media on business performance through corporate reputation. Based on the above background, the following research problems are formulated: 1) Does social media have a significant effect on business performance both directly and indirectly through the company's reputation. 2) Does the company's reputation have a significant effect on business performance?

II. LITERATURE REVIEW

Resource-based theory

Barney in his article in his 1991 resource-based view argued that sustainable competitive advantage comes from the company's valuable and scarce resources and control capabilities, which cannot be replicated, and cannot be substituted. These resources and capabilities can be seen as a collection of tangible and intangible assets, including company management skills, organizational processes and routines, as well as information and knowledge that they control. (Barney, Wright, & Ketchen, 2001) . The history of the company's resource-based view cited by (Debadutta Panda Sriharsha Reddy, 2016) can be traced from Robinson's theoretical work in 1933 from his book on economics of imperfect competition and Chamberlin's 1933 from his book on monopolistic competition theory and 1959 Penrose from his company growth theory. Clulow et al., (2007) cited by (Debadutta Panda Sriharsha Reddy, 2016) explained that resource-based views are also discussed in relation to customers where customer value greatly contributes to real and unreal company resources and competencies.

The resource-based view (RBV) has evolved into a resource-based theory (RBT), and vice versa that the use of the term resource-based view has diminished, reflecting the view of the research community. The use of the term resource-based theory shows a picture of a contemporary theoretical framework. Resources and capabilities are the main constructs in resource-based theory. Resources refer to tangible and intangible assets that companies use to understand and implement their strategies (Barney and Arikan, 2001) in (Kozlenkova, Samaha, & Palmatier, 2013) . The word resource refers to something that an organization can pull to achieve its goals. Barney and Hesterly (2012) cited by (Kozlenkova et al., 2013) suggest four main resource categories: physical, financial, human, and organizational. Capability is a part of a company's resources, representing the company's specific resources that are not transferable in an organization whose purpose is to increase the productivity of other resources owned by the company that are generally based on information, tangible or intangible processes that enable the company to deploy resources others more efficiently thereby increasing the productivity of these resources. Thus, capability is a special type of resource whose purpose is to increase the productivity of other resources owned by the company (Makadok 2001) in (Kozlenkova et al., 2013) .

Dynamic capability

(David Teece and Gary Pisano, 1994) defines dynamic capabilities as a company's ability to integrate, build and reconfigure internal and external competencies to cope with a rapidly changing environment. Dynamic capabilities reflect the ability of organizations to achieve new and innovative forms of competitive advantage given the dependencies of market paths and positions. (Eisenhardt & Martin, 2000) said that dynamic capability is considered as a routine in the company that guides and facilitates the development of the capabilities of the company (organization) by changing the underlying resource base within the company.

Dynamic capabilities are similar to capabilities, where dynamic capabilities are resources that can be used to modify other resources and create value, for example including product development routines, transfer processes, resource allocation routines, alliance and acquisition capabilities, and knowledge-making processes. Some researchers argue that dynamic ability is a stand-alone theory, but other researchers see it as a means to expand resource-based theory into a dynamic environment. The view that sees dynamic capabilities as a stand-alone theory stems from the idea that sustainable competitive advantage (SCA) obtained from unique resources is rarely achieved in dynamic markets, because rapid change makes many resources obsolete because companies quickly and constantly configure re, obtain, dispose of its resources to meet changing market demands. But in practice, resource-based theory can handle resources with short-term benefits and capabilities that are more valuable in certain environments (for example, high-speed markets) to explain their effects on sustainable competitive advantage (Kozlenkova et al., 2013)

(Pim den Hertog Wietze van der Aa Mark W. de Jong, 2012) in its conceptual framework explains the capabilities to manage service innovation. The article identifies and reflects a set of dynamic capabilities to manage service innovation and applies the dynamic capability view (DCV) of the company to managing service innovation. It was hypothesized that successful service innovators, which might include manufacturing companies developing into service solution providers, outperformed their competitors at least in some abilities. Those involved in managing service innovation are offered a framework for systematically assessing the capability of dynamic service innovation. His main contribution is that he links the service perspective (innovation) to the company's DCV by proposing a set of dynamic service innovation capabilities. This begins with a basic understanding that successful service innovators are service companies and organizations that have introduced innovative service experiences and service solutions repeatedly.

(Eisenhardt & Martin, 2000) explore dynamic capabilities and more generally RBV. His research suggests rearranging the concept of dynamic capabilities. Dynamic abilities are not tautological, vague, and relentless as recursive as suggested by some people (for example, Priem and Butler, 2000; Williamson, 1999). But on the contrary, dynamic capabilities consist of many well-known processes such as alliancing, product development, and strategic decision making which have been widely studied apart from the RBV. Its value for competitive advantage lies in its ability to change its resource base: creating, integrating, combining, and releasing resources. Dynamic capability also shows similarity across companies related to superior effectiveness or it can be said that dynamic capability also refers to the company's ability to integrate, assign, and move internal and external resources into the best configuration to be able to create and develop new capabilities and create opportunities new market.

(Conceição et al., 2018) explained from previous study studies that ability refers to the knowledge and skills accumulated by a company which in turn allows it to increase the value of using its resources and also that marketing capabilities are responsible for changing the company's marketing resources be a valuable result. It was further explained that when a company can manage the process and development of new products, it means that the organization is focusing its efforts to achieve sustainable competitive advantage. In turn, when a company has a well developed innovation capability and can provide value to its customers better than competitors, it provides recognized value to its customers. Therefore, studying the operation of these capabilities within the company is fundamental to understanding the mechanisms that help the search for organizational differentiation. In a contemporary business environment, companies rely on external sources of information to promote innovation, stimulate new products, and improve performance.

(Pavlou & Sawy, 2011) say that dynamic capabilities are usually embedded in organizational processes and routines that allow a company to adapt to changing market conditions to reconfigure its source base, enable change and adaptation, and ultimately achieve an edge over competitors. Furthermore, four dynamic capabilities, namely, sensing, learning, integration, and coordination, are proposed as sequential logic to reconfigure existing operational capabilities. The company must depend on its ability to create, maintain, and renew its base of competitive advantage in inturbulent environmental conditions. If companies with highly dynamic capabilities are able to quickly cope with dramatic changes in the external environment, it can build competitive advantage and increase their market value.

(Tseng & Lee, 2014) said that companies must strive to integrate capabilities, and improve organizational performance, for example, companies must frequently observe market trends and new technologies to seize new opportunities and dedicate resources to the functions of new and existing products / services to ensure that their products / services can meet customer requirements. To integrate capabilities, companies must clearly understand who has the techniques and knowledge relevant to their work and incorporate individual knowledge into the capabilities of the new operational units, as well as organize and disseminate tasks, resources, and activities.

Social media

Social Media defined by (Kaplan & Haenlein, 2010) is a group of internet-based applications that are built on the foundation of ideology and Web 2.0 technology and that allow users to create and exchange content. Likewise social media is a term that covers various types of applications. (Roberta Bocconcelli, Marco Cioppi, 2017) conducted a study on the adoption of social media in sales activities, the process of adopting social media in terms of a combination of resources where social media was considered as one of the main resources and explained that social media can represent valuable resources that are allows small companies to increase their visibility and enter new markets, which would otherwise be very difficult to reach. Social media provides various tools that can support a company in various stages of the sales process. Social media makes it easy to access foreign customers with limited costs and to gain a valuable reputation in the market. The effectiveness of social media as a new resource for SME sales activities. These resources are internal knowledge held by internal organizational units, product features - and external, specifically social media knowledge and are used by existing and potential customers. Social media can provide a very effective communication vehicle when the company has limited marketing resources, as in the case of SMEs, and aims to reach out and establish contact with new customers, both distributors and end customers. The extensive use of social media in the customer relationship management process can increase opportunities for new market contacts and increase the efficiency of the sales process. Reaching new customer segments and markets may pave the way for new product development utilizing available technology bases.

Marketing directed to social media continues to grow which shows that interest in building a brand's presence on social media, interacting with fans, helping shape its experience, and even utilizing its voice for greater marketing impact. Gillin (2007) cited by (Tsimonis & Dimitriadis, 2014) explains some of the factors shifting towards social media are: 1) Declining response rates, consumers increasingly ignore conventional marketing such as banner advertisements and e-mail because they are not interested. 2) Technological developments, developing information technology infrastructure, new equipment, and an increasing online population contribute to the attractiveness of social media. 3) The demographic shift, people especially young individuals, have moved online and the use of traditional media channels has declined. 4) Customer preferences, trust is important on the internet and people trust their friends and other internet users more than the company. 5) Low cost, flight campaigns can generate more customers involved than television campaigns at much lower costs.

(Tsimonis & Dimitriadis, 2014) also explains the expected benefits, and objectives related to using social media as follows: 1) Brands can effectively develop and enhance relationships with customers. Social media not only intensifies existing company-to-customer and customer-to-company relationships, but also creates new variations on conventional options, increasing the company's ability to interact in customer-company dialogue, strengthening their communication. There are fundamental changes in the ease of contact, the volume, the speed, and the nature of this interaction. 2) The company can reach people who cannot be contacted. Content transfer social media to a variety of people who are more diverse than the mass media. They create a "small world" network where content is easily distributed to large numbers of people, because networks are formed through voluntary connections and require fewer steps to share information. 3) Social media can build and increase brand awareness. Social media tools allow companies to access millions of people, because a large number of people have visited social media, the presence of brand names throughout the network can help inform people about it and become familiar with the company, creating brand awareness. 4) Social media relationships can increase sales. By having people who visit the brand page on social media, it might create traffic for the website and make more sales online. The company expects a number of specific benefits from their presence on social media. Customer involvement is referred to as the most important and is recognized as an opportunity offered by interactive aspects of web technology and tools for changing the relationship between customers and sellers. Its interests are primarily wanting to exploit social media to build lasting relational exchanges with strong emotional ties and improve business performance.

Studies conducted by (Dlamini, Johnston, Dlamini, & Johnston, 2018) revealed that social media is important in organizations to build relationships, maintain advertising contacts, marketing, attracting customers, brand management and information gathering. The majority of organizations use social media for free advertising, customer relationship management, and marketing. Social media is an easy customer relationship management tool and offers effective and efficient capabilities. Integrating the use of social media with organizational processes to market and advertise new products is an easy and cost-effective way of communicating with customers, and helps in reaching out and attracting new customers. Organizations that use social media because it is very popular among individuals and easy to use.

Company reputation

(Shamma, 2009) assesses a company's reputation as an attitude that represents stakeholder evaluations of a company. It was explained that different stakeholders have different sources of knowledge which drive their perceptions about the company's reputation which in turn affect their perceptions about the company's reputation. The customer forms a perception as a result of his personal experience with the company, the knowledge obtained from the media and also the knowledge obtained from each other individuals. The importance of customer experience and personal interaction with the company as a key driver in forming perceptions about the company's reputation. Media is also an important source where customers form perceptions about the company. While customer experience can advance perceptions about a company's product or service and the level of trust and credibility of the company, the knowledge gained from the media gives an indication of other aspects of the company's reputation that are important for building reputation. This sees the importance of the media in helping customers form perceptions about non-relational factors that are important to a company's reputation (eg financial performance). Sources of information from other individuals also influence perceptions about the company's reputation, at least having an impetus in shaping perceptions about the company's reputation compared to other sources. This can be explained by the idea that customers do not get enough information about various aspects of the company from other individuals compared to other sources such as the media. On the other hand, the general public encourages perceptions about companies, especially from media sources. The mass media is the main source through which the general public forms perceptions about the company's reputation. The relatively strong relationship between knowledge from the media and company reputation further supports the importance of the media as an important source for building a company's reputation.

The study (Lee & Roh, 2012) confirms resource-based theory that assets are valuable, cannot be imitated, and cannot be substituted as corporate reputation directs companies to improve financial and market performance. However, the effect depends on company characteristics such as company size, R&D intensity, debt leverage ratio, and capital intensity. The company's reputation seems to emerge as a critical dimension of comparing company performance. The findings of his research show that the company's overall reputation, product / service quality, company size, and R&D intensity appear to be significantly and positively related to company performance in various indexes of the company's economic performance measures. However, corporate social care, innovation, capital intensity, and debt leverage do not seem to affect performance uniformly. This finding shows that the strategic relationship between company reputation and company performance plays an important role in the high and low tech industry groups.

The study (Soleimani, Schneper, Newburry, & Newburry, 2014) builds a stakeholder strength approach to company management. Reputation is defined as a collective representation of a company's past actions and results in relation to many stakeholders. The conceptualization takes a broad perspective that focuses on the general price, admiration, and trust held by the public in a company. The company's reputation is rooted in beliefs about the role of business in society; This belief is built according to strong stakeholder preferences.

(Ghosh, 2016) A company's reputation is the overall estimation of a company by its stakeholders expressed by demonstrative behavior to customers, employees, investors, business partners, and the general public. The goodwill and reputation created by the efforts to develop a company's strategic planning in the market can gain the trust of consumers and other stakeholders which will in turn produce sustainable competitive advantages for the company.

(Chen-Chu Matilda Chen Bang Nguyen TC Melewar, 2016) considers that the use of a company's reputation is categorized into three groups namely value creation, influence on competitors' actions and development of relationships with stakeholders. About Value creation, that the company's reputation is used and presented to stakeholders as a valuable company or as an intangible asset that creates value in the future. Likewise, the company's reputation is used as an asset, which cannot be bought, so it is not easy to be copied or replaced. Regarding strategic resources, it is explained that the company's reputation is generally used as a defense strategy to ward off competitors. In addition, the company's reputation is generally used as a means to highlight and signify the company's beliefs, attitudes and intentions towards market participants, therefore, it is interpreted by stakeholders. As a result, companies aspire to achieve competitive advantage by implementing strategies that will effectively differentiate them from competitors. While the reputation category is corporate communication that the company's reputation is used to communicate corporate social responsibility activities to stakeholders in the business environment. In addition, the company's reputation is used as a way to shape the perceptions of shareholders and stakeholders. A company's reputation usually forms the opinions and perceptions of shareholders and stakeholders alike

(Samuel Famiyeh Amoako Kwarteng Samuel Ato Dadzie, 2016) put forward the idea that reputation issues can be characterized by stakeholders inside and outside the organization. The company's reputation is measured using three constructs namely product and service quality, management performance and organizational attractiveness. His research aims to assess the relationship between corporate social responsibility and its impact on the company's reputation and overall company performance. The results of his study show a positive relationship between the company's reputation (ie product and service quality, management performance, company attractiveness) and overall company performance in terms of return on investment, sales growth, market share and overall profitability. This shows that a good reputation can have a significant positive impact on overall company performance.

(Gianluca Ginesti, Adele Caldarelli, 2018) views the company's reputation as a company value driven by strategic assets. Companies that have a higher reputation are able to translate the knowledge, skills, and cultural principles of their employees into dynamic value activities for stakeholders that inspire trust and generate a strong reputation over time.

(Wilson, 2018) empirically investigated the impact of perceived customer relationship investment on the company's reputation. It is said that having a strong reputation is the desired resource for companies in dealing with today's competitive business environment. Investing in relationships with customers has a significant contribution to building sympathy for the company. Investment perceptions in customer relationships and company reputation are important for developing long-term relationships. The company's reputation is a strategic asset that the company can use to influence stakeholder behavior, thereby facilitating its long-term success. A strong reputation is very important for companies that operate in a business context characterized by managing long-term relationships.

Business performance

Sloma 1980 cited by (Tseng & Lee, 2014) said that performance is the level of targets achieved by organizations or as an evaluation of the effectiveness of individuals, groups, or organizations. At the individual level, this refers to job satisfaction, goal achievement, and personal adjustment; at the group level, this refers to passion, cohesion, efficiency, and productivity; and at the organizational level, it is about profit, efficiency, productivity, absenteeism, turnover , and adaptability. Venkatraman and Ramanujam (1986) cited by (Tseng & Lee, 2014) also assume that performance can not only be measured based on financial measurement indices, but also by organizational performance, which can be measured based on financial performance, business performance, and organizational effectiveness. Financial performance is measured by standards: return on investment, growth in sales, and income; while business performance includes not only financial measurement indices, but also includes operational performance that includes market share, product quality, new product introductions, marketing effectiveness, value added production, and other non-financial matters.

(N. Gladson Nwokah, 2009) quoting from several authors that the goal of measuring final performance is an increase in financial results in a commercial organization. However, this type of measurement of financial results alone does not provide enough information to help direct decision making that will achieve improved performance. Explained further that financial metrics are usually the first type used to evaluate marketing performance. Financial measurements include turnover, contribution margins, and profits. Market share is also used as an indicator of business performance in assessing the extent of customer focus on business performance. They argue that market share is often used to describe the position of an organization in its industrial sector. The implication is usually that the greater the market share, the more successful the organization.

(Conceição et al., 2018) which cites the opinion of Slater et al., (2006) explains that performance is defined as the achievement of set goals, which implies that if someone achieves or exceeds the set goals, a person has achieved positive performance. There are two broad groups of indicators that are most commonly used as evidence of performance in organizations, namely financial or non-financial.

(Anil Menon, Sundar G. Bharadwaj, 1999) uses perceptual measures of marketing performance that are estimated or valued through market share, and sales growth rate to measure marketing performance. (Anil Menon, Sundar G. Bharadwaj, 1999) explains that marketing performance or market performance is a common construct (factor) to measure the impact of a company's strategy. The company's strategy is always directed to produce company performance, both in marketing and in finance. The study conducted by (Anil Menon, Sundar G. Bharadwaj, 1999) as a measurement of its output uses marketing performance as measured by three scale items, where the level of achievement or strategy performance is met with expectations for overall sales performance or profit, and profit.

Based on the conceptual framework that has been proposed, the conceptual framework can be described as follows:

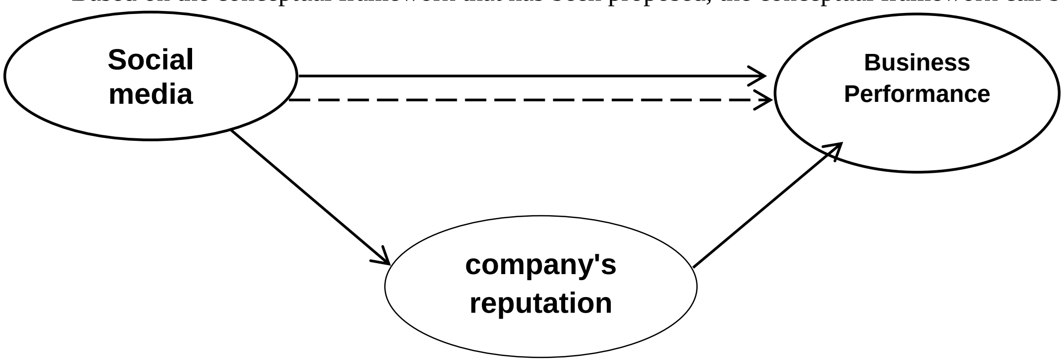

Figure 3.1: Conceptual framework

Based on the conceptual framework of this study, the following hypotheses are proposed:

Hypothesis 1 : Social media has a significant positive effect on business performance directly and indirectly through the company's reputation

Hypothesis 1 a. : Social media has a significant positive effect directly on business performance.

Hypothesis 1b : Social media has a significant positive effect on company reputation

Hypothesis 1c . : Social media has a significant positive effect indirectly on business performance through the company's reputation.

Hypothesis 2 : Company reputation has a significant positive effect on business performance

III. METHODOLOGY

This research was designed using the Hypothetical-descriptive approach, which is a research process approach that allows the development and testing of the null hypothesis with a complete description and empirical facts to illustrate the accompanying theoretical conceptions (Ferdinand, 2014). To test the hypothesis in this study, the data collection instruments in this study starts from the determination of the variable-miscellany bell for examination and further defined the indicators of her, and then created a list of questions in tabular form for submission to the respondent . The population of this study is all hotels in the city, namely as many as 157 hotels. Samples used in the study were taken as many as 70 based on the number of questionnaires returned . A total of 70 samples have met the criteria for testing using the Partial Least Square (PLS) analysis tool. Based on the purpose of this study, the analysis unit in this study is the organization or the hotel manager. Respondents representing the unit of analysis were taken as sources of information on the level of hospitality managers. The analytical method used in this research is Structural Equation Modeling (SEM) with the variance approach or commonly called Partial least square path modeling (PLS-PM) using the Smart PLS 3 application program . SEM is a statistical technique that has the ability to analyze patterns of relationships between latent constructs with each other, as well as direct measurement errors. The reason for using SEM is because of SEM's ability to estimate relationships between variables that are *multiple relationships* . This relationship is formed by the structural model, in addition, SEM also has the ability to describe the pattern of relationships between latent (*unobserved)* and manifest variables (manifest variables).

IV. RESULTS AND DISCUSSION

The first step is to evaluate the measurement model, namely the evaluation of the relationship between constructs and indicators through two stages of evaluation, namely convergent validity and discriminant validity. The results of the evaluation of the convergent validity look like in table 1 below:

Table 1: Convergent validity

Contruct reliability and validity

	Crombach's Alpha	rho_A	Composite Reliability	Average Variant Extracted (AVE)
BUSINESS PERFORMANCE	.851	.856	.889	0.527
COMPANY REPUTATION	0.799	0.829	0.867	0.620
SOSMED	.855	.858	.893	0.582

From table 1 it can be seen that the Crombach's alpha value is above 0.7 . Likewise, the rho_A value is above 0.7 and the composition value of reliability is above 0.7 while the AVE value for all constructs is above 0.5 so that it can be said that the social media construct, company reputation and business performance are reliable. For the evaluation of discriminant validity as shown in table 2 below:

Table 2: Discriminant validity

Discriminant validity

	Businesss Performance	Company reputation	Social Media
BP1	**0.745**	0.330	0.370
BP2	**0.750**	0.416	.379
BP3	**.778**	0.311	.381
BP4	**0.756**	0.507	0.460
BP5	**0.805**	0.484	0.475
BP6	**0,700**	.451	.387
CR1	.347	**.704**	.291
CR2	.392	**0.782**	.388
CR3	0.433	**0.814**	0.427
CR4	0.558	**0.844**	0.540
SOCMED1	.444	0.475	**0.789**
SOCMED2	0.389	.451	**0.796**
SOCMED3	.441	0.345	**.801**
SOCMED4	.443	.404	**0.775**
SOCMED5	.391	0.423	**.757**
SOCMED6	.391	.357	**.647**

From table 2, it can be seen that each indicator correlates higher with each construct compared to other constructs, so it is said to have good discriminant validity. For the value of R square seen in table 3 below:

Table 3: R Square

R Square

	R Square	R Square Adjusted
Business performance	.401	.383
Company reputation	.291	.281

Based on table 3 above, the R square value of the business performance contract is 0.401, which means that the social media construct and company reputation are simultaneously able to explain the variability of business performance constants of 40.1%, the rest is determined by other factors outside this research model. Furthermore, the R square value for the construct of the company's reputation of 0.291 means that the social media construct is able to explain the company's reputation construct of 29.1%, the rest is determined by other factors outside this research model. The structural model, as shown in Figure 2 below:

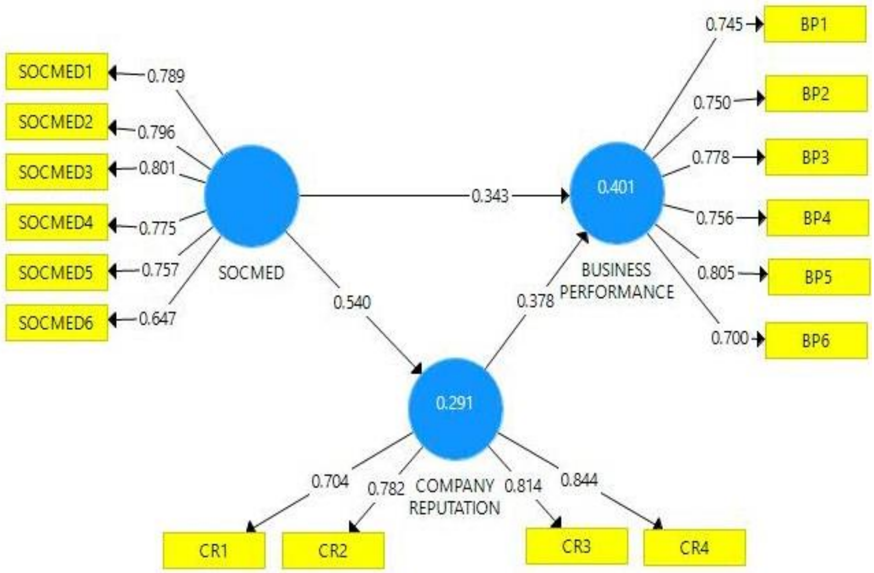

Figure 2: Structural model

The next evaluation is testing the research hypothesis as shown in the table below:

Table 4: Path coefficients

Coefficient path

			Original sample (O)	Sample Mean	Standard Deviation	T statistics (| O / STDEV |)	P value
Company reputation		Business performance	.378	0.370	.107	3,550	0,000
SOCMED		Business performance	.343	.363	.105	3,253	.001
SOCMED		Company reputation	0.540	0.561	0.073	7,362	0,000
SOCMED	Company reputation	Business performance	.204	.206	0.062	3,265	.001

From table 4 shows the results of testing the direct and indirect effects. For testing the direct effect consists of three hypotheses, namely hypothesis 1 a about the direct effect of social media on business performance, shows a path coefficient of 0.378 and a statistical T value of 3.253 which is above 2.0 and P value <0.05. This result means that social media has a significant positive effect on business performance. Thus hypothesis 1a is accepted. For the direct influence of social media on company reputation shows a path coefficient of 0.540 and a statistical T value of 7.362 which is above 2.0 and P value <0.05. This result means that social media has a significant positive effect on the company's reputation. Thus hypothesis 1b is accepted. For the direct influence of the company's reputation on business performance shows a path coefficient of 0.378 and a statistical T value of 3.550 which is above 2.0 and a P value <0.05. This result means that the company's reputation has a significant positive effect on business performance . Thus hypothesis 2 is accepted. As for the indirect effect, namely hypothesis 1c about the effect of social media on business performance through the company's reputation, it shows a path coefficient of 0.204 and a statistical T value of 3.265 which is above 2.0 and a P value <0.05. This result means that Socila Media has a significant positive effect on business performance through the company's reputation. Thus hypothesis 1c is accepted.

Discussion and conclusion

This study supports the results of research conducted by (Roberta J. Schultz, Charles H. Schwepker, Jr., 2015) which shows that the use of social media positively influences sales performance. This shows the importance of social media in marketing, social media is a strategic force. The results of this study also support the results of the study (WH Kim & Chae, 2018) which found a positive relationship between the level of social media usage and hotel performance. The adoption and use of organizational technology that varies among companies is very dependent on company resources. Hotel resources are an important consideration in the use of social media, because the adoption and use of social media platforms is considered an innovative business practice, which involves costs and requires investment in technology, people, organizational policies and other infrastructure. The continued use of social media requires company resources (eg technology, people and capital) and coordination among the actors of the organization. The ability of a hotel to utilize social media is very dependent on its resources, and the use of social media in a company for communication and involvement is considered as one of its capabilities or competencies.

The results of this study are in line with research conducted by (Schaarschmidt & Walsh, 2018) who found that the use of social media has an impact on awareness of the company's reputation. Likewise, research (Hyunmin Lee & Hyojung Park, 2013) shows empirically that actively responding to public comments posted on organizational websites and blog sites positively influences the perception of a company's reputation. This shows the importance of open two-way communication to produce and maintain a long-term positive relationship between the public and the organization. The results of this study are also in line with research (Muhammad Mohtsham Saeed, 2012) that perceived organizational reputation is related to organizational performance and functions as an immune system to the organization, which leads to better organizational performance. This research is also in line with research conducted by (Taghian et al., 2015) who found evidence of a positive relationship between company reputation and business performance in changing market share. Employees are valued as developers of the company's reputation because they are directly involved with organizational processes, and they contribute and benefit from the company's success. The positive attitude of employees can have an impact on their motivation to make changes which in turn can affect the quality of the work they do, resulting in higher company performance. Likewise with research (Deborah Goldring, 2015) which shows that reputation orientation positively influences marketing performance. This research is also in line with research (Parastoo, So, & Saeidi, 2014) which shows that a company's reputation has a positive and significant effect on company performance. A better reputation is a consequence of increasing customer satisfaction after being involved in social care. Because the main goal of business is to achieve a higher level of financial benefits.

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