

# Dimensions and Impact of Social Media Usage on Business Performance of Homestay Industry in Malaysia: Entrepreneurial Orientation as a Mediator

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## Abstract

Social media emerged as the most popular mechanism in the tourism industry. However, there is little research on the adoption of social media in the homestay operation. This paper is an overview of past literatures and deeply focuses on the diffusion of information and communication technologies (ICTs) particularly social media among homestay industries in Malaysia. Thus, this paper will determine the main determinants that influence the social media usage (SMU) for homestay business performance. This research will tend to examine the intermediate role of Entrepreneurial orientation (EO) between social media usage and homestay business performance. By using Resource Based View (RBV) and Dynamic Capabilities (DC), this research also able to determine the impact of SMU in entrepreneurial orientation (EO) and business performance (BP). For data collection, questionnaires will be collected from the registered homestays in Malaysia. The data analysis will be processed by using statistical technique which is IBM SPSS (formerly known as Statistical Packages for the Social Sciences) and PLS-SEM to test the hypotheses.

**Keywords:** Social media usage (EO), homestay, entrepreneurial orientation (EO), business performance (BP), Resource based View (RBV), Dynamic Capability (DC)

### **Introduction**

Digital technologies are radically altering business settings, markets, and marketing communication tactics (Foltean et al. 2019). In the current digital landscape, social media usage (SMU) is extremely important and is acknowledged as a key component of a digital transformation strategy (Galindo-Martin et al., 2019; Augusto and Torres, 2019). The utilization of SMU has led to significant expansion in many nations and its circulation is opening new path for entrepreneurs in many field (Kaplan and Haenlein, 2010; Song et al., 2019). Some of the social media sites, such as YouTube, LinkedIn, Facebook, Twitter, and Instagram have been attracting popularity within the nation and are influencing the actions and procedures taken by businesses and organizations (Fischer and Reuber, 2011; Parveen et al., 2016). Social media's importance in business development cannot be overstated. SMU will help the entrepreneurs and organizations to encourage transparency (Macnamara and Zerfass, 2012; Kane, 2017). many entrepreneurs have used and are leveraging SMU to benefit their businesses (Fischer and Reuber, 2011; Kietzmann et al., 2011; Mumi et al., 2019). Among these advantages, SMU enables entrepreneurs to form relationships and partnerships (Quinton and Wilson, 2016; Rathore et al., 2016), improve communication with a limited number of stakeholders (Parveen et al., 2016), and improve business performance.

The study on social media usage (SMU) for homestay business performance holds significant contribution for both academics and practitioners. Firstly, from an academic standpoint, understanding the dynamics and impact of SMU from the view of homestay businesses contributes to the remaining section in the fields of tourism, hospitality, and digital marketing. By identifying how homestays leverage social media platforms, scholars can gain insights into evolving consumer behaviors, marketing strategies, and the role of technology in shaping the hospitality industry as whole. From a practical perspective, the study's findings can offer actionable insights for homestay owners and entrepreneurs in Malaysia. With a deepened understanding of effective social media usage, homestay businesses can refine their digital marketing strategies, optimize their online presence, and enhance customer engagement. Finally, this study can bridge the gap between theoretical knowledge and practical application, providing valuable guidance for homestay operators navigating Malaysia's complex digital landscape.

### **Background of the Study**

Tourism industry is an important industry in hospitality field in developed and developing countries (Sharpley, 2020). In recent years, tourism has evolved into one of the world's most important service businesses, contributing significantly to the global economy. Aside from directly contributing to government profits, national income, and foreign exchange gains, the tourism industry creates job and business opportunities in local areas (Saner, Yiu, and Filadoro, 2019). Malaysia has recently emerged as one of the world's most popular tourism destinations. Prior to the Covid-19 outbreak, Malaysia's tourist industry was a pillar industry that generated RM240.2 billion in revenue, accounting for 15.9% of the country's GDP. However, the globe has come to a standstill because of the unexpected coronavirus (COVID-19) epidemic, which has particularly badly affected the travel and hospitality sector. Millions of lives and jobs have been lost because of severe travel restrictions and border closures in

most of the world's nations. Recently, after the COVID-19 pandemic taken under control, all tourism activities have returned to normal (Biju & Kumar, 2022).

Following the Covid-19 pandemic, consumers favored contactless services that were backed by digital tools and intelligent technology. To offer contactless service and reassure the customers of service safety, homestays must develop technological solutions (Vija Kumaran et al., 2023). Technological advancements have brought a revolutionary changes into homestay industries and enabled homestay operators to provide rooms to a worldwide consumer marketplace (Babu, S. & Mukhopadhyay, D. 2020). Since technology has altered many parts of human existence, it has also had an impact on how tourism activity providers conduct business when interacting with visitors (Meiliana, Irmanti, Hidayat, Amalina & Suryani, 2017). Similar circumstances exist in Malaysia, where technology applications in the travel field have a significant effect on changing visitors' experiences and providing them with a memorable and significant encounter (Osman, 2022). Haroon (2020), mentioned that the government is in the planning to utilize social media channels as part of its integrated marketing effort in addition to branching out into digitalization for tourism.

Despite social media's potential as a beneficial marketing tool, many SME business owners still perceive it as untrustworthy and uneasy (Kanapathipillai, 2021; Aristana & Putra, 2020). The failure of SMEs to use social media effectively and boost the effectiveness of their marketing campaigns is the root cause of this problem (Kanapathipillai, 2021; Schjoedt & Shaver, 2019; Effing & Spil, 2016). Osman and Zakaria (2021), also claimed that although the performance of the homestay may improve with the use of technology, some homestay operators continue to refuse to incorporate social media into their daily operations. SME Corporation Malaysia, 2012-2020 reports that Malaysian SMEs lack the initiative to engage in online marketing campaigns or retain the services of a qualified marketing consultant (Alias et al., 2022). As of right now, it has been verified that less than 28% of Malaysian rural homestay operators use social media platforms for their operations (MOTAC 2018). Despite this, Pasanchay and Schott (2021), and Murniati et al (2023), argue that some homestay entrepreneurs already have a basic understanding of social media usage. However, most of their capabilities are limited. It is vital for them to have the capacity to understand the process and how they going to make decision and utilize these capabilities to enhance the business performance of the homestay. By utilizing resource- based view theory (RBV) and dynamic capabilities theory (DC), this paper aimed to answer the research questions as below:

RQ1. What are key determinants of social media usage?

RQ2. Does social media usage impact the entrepreneur orientation of homestay operation in Malaysia.

RQ3. Does social media usage impact the business performance of homestay operation in Malaysia.

RQ4. Does the entrepreneur orientation mediate the relationship between social media usage and business performance of homestay operation in Malaysia.

The following section 2 elaborate the literature reviewed on SMU in homestay industries in Malaysia and hypotheses development. Section 3 presents on the methodology used before the data results are presented and discussed. Finally, we draw a conclusion and give recommendations for future research.

**Literature Review***Social Media Usage (SMU) in Homestay Industry*

The utilization of Information Communication and Technology (ICT) has significantly led to transformation in the structure of industry and business. While social media is essential for all industries, the hospitality sector benefits greatly from its use (Diffley et al., 2018). Social media is crucial for homestay businesses because it offers an effective and cost-efficient strategy to reach a wide and highly targeted audience. By creating a strong presence on platforms like Facebook, Instagram, and Twitter, homestay owners could connect with targeted guests, showcase their unique accommodations, and build a loyal online community. Social media allows for direct engagement, enabling hosts to respond to inquiries, share updates, and post visually appealing content, such as photos and videos, which can enhance their visibility. Besides this, digital marketing influences the tourist's behaviors and decision-making skill by exploiting user-generated content on social media.

*Entrepreneurial Orientation (EO)*

The processes of decision-making that give organizations a foundation for taking entrepreneurial actions and decisions is known as entrepreneurial orientation (EO) (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2003). There are three dimensions of EO identified from strategy and entrepreneurship literatures reviews (e.g., Covin & Slevin, 1991; Miller, 1983; Miller & Friesen, 1978; Venkatraman, 1989a). Those dimensions are innovativeness, risk taking, and proactiveness. EO holds a pivotal character in the development and startup of the homestay industry in Malaysia. EO encourages homestay operators to anticipate market trends, introduce new amenities or services, and continually improve their offerings to meet the evolving demands of travelers. Embracing a risk-taking mindset is also essential in a dynamic industry like homestays, where experimentation and adaptability are key to uncovering untapped markets and ensuring long-term sustainability. In essence, EO is a driving force that propels the homestay industry in Malaysia towards innovation, responsiveness, and a customer-centric approach, crucial for its growth and development.

**Theoretical Framework**

Figure 1 explains the framework formulated and its hypotheses developed which focused on the key determinants of SMU and proposes that SMU will have effect on Business Performance (BP) both directly and indirectly through Entrepreneurial Orientation (EO).

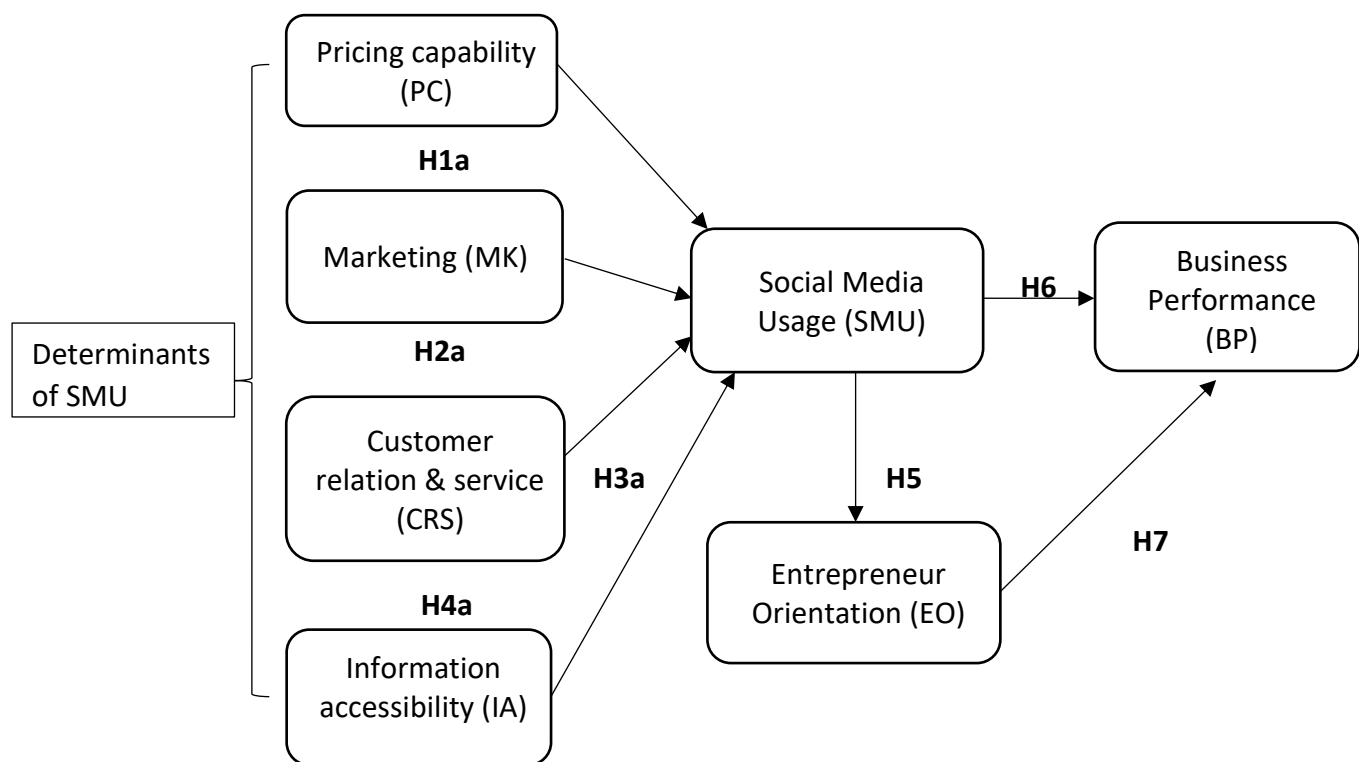


Figure 1: Theoretical Framework

### Price Capability (PC)

Scholars have identified pricing capability as one of firm's most vital capabilities, among other organizational and marketing capabilities which drive to organization's performance and competitive advantage in the market (Falahat et al. 2020). A strategic pricing decision can assist the hospitality industry to enhance their business performance and profitability (Ampountolas et al., 2019). A good pricing strategy will help to magnify the business performance and will lead the way to efficacious output such as customer gratification, loyalty, and customer retention, especially for business entities (Zakaria, Abdullah, and Ali, 2019). In a study on social media dimensions for business performance in Thailand, (Tarsakoo, P & Charoensukmongkol, 2019) has used pricing capability as a determinant of social media usage. Strategic pricing decisions can support hospitality industry to expand their business performance and financial benefits (Ampountolas et al., 2019).

### Marketing (MK)

Social media has spawned new forms of contribution, collaboration, and communication that enable users to create content and engage with others through a many-to-many communication model as opposed to the conventional one-to-many model (McCann & Barlow, 2015). Gan et al (2018), reported that in Malaysia, homestay operators quickly adopted social media as a means of increasing their visibility, and that owner integrated social media and the internet into the day-to-day running of their homestays. Social media use helps the business market itself at a significantly lower cost while enhancing its understanding of

the rapidly changing market and monitor customer's preference pattern (Castronovo, 2012; Spaulding, 2010). Besides concentrating on the conventional marketing strategy of having a physical appearance, businesses can use social media to give improved customer service by providing customized pages, adding features, and developing an innovative online shopping environment (Michaelidou et al., 2011). For the businesses which have incorporated social media marketing into their operations, these capabilities have led to an increase in sales, a return on investment, positive word-of-mouth, and increased brand awareness within the community.

### **Customer Relation and Service (CRS)**

Customer relations and service are paramount in social media marketing due to the platform's interactive nature and its impact on brand perception. A satisfied and good personal experience with a service-related transaction (such as homestay industry) will lead to repeat transaction (Leino et al., 2021; McKenzie, 2000; Wang et al., 2019; Zhao et al., 2020). Responsiveness to inquiries, comments, and concerns in a timely manner demonstrates a commitment to customer satisfaction. Prompt and helpful interactions not only address individual concerns but also showcase the brand's dedication to providing excellent service, fostering positive relationships with existing and potential customers. By actively managing customer relations on social media, homestay businesses can influence the narrative surrounding their brand, turning potential challenges into opportunities to showcase their commitment to customer service.

### **Information Accessibility (IA)**

Social media is a platform which permit information sharing and involvement from social media users to create or distribute the content (Steenkamp and Hyde-Clarke, 2014). Based on statement from Culnan (1984, 1985), accessibility to information identified as the stage of effort needed to get information among variety of sources which impacts individual's choice of specific information sources. DeLone and McLean's IS success model states that to determine how social media tools are applied in organizations, it was important to consider the informed and effective use of social media, as this was a key sign of technological advancement that had an impact on organizations (DeLone & McLean 2003). Easy access to information enables homestay owners to create compelling online profiles, showcasing their accommodations, amenities, and local attractions. Homestays that leverage information accessibility effectively can capitalize on emerging trends, such as eco-friendly accommodations or unique experiences, thereby attracting a diverse clientele and improving overall business performance.

### **Impact of Social Media Usage on Entrepreneurial Orientation**

According to Parveen et al. (2016), entrepreneurial orientation (EO) recognized as the execution and decision-making technique which the entrepreneurs employed it to behave entrepreneurially, and the existing research proposes three dimensions of EO (Covin and Slevin, 1989; Parveen et al., 2016; Sahaym et al., 2019) which is Proactiveness (PRO), Risk taking (RSK) and Innovativeness (INN). As per resource-based view theory, EO as vital asset for organizations competing in technological environment (Colton et al. 2010). Previous studies have proposed that the adoption of SMU influences some entrepreneurial characteristics of an organization, and several researchers also argued that SMU is vital for entrepreneurial capabilities enhancement which also beneficial for boosting connections with

other stakeholders and increasing the success of business development (Trainor et al., 2014). Parveen et al. (2016) revealed that research has demonstrated the significance of SMU in improving an organization's PRO, RSK, and INN. SMU is particularly important in influencing the EO of companies when it comes to marketing, customer service, and information access. Organizations with a high entrepreneurial orientation are said to be more innovative because they welcome experimentation, support fresh concepts, and abandon outdated procedures (Lumpkin & Dess 1996). With efficient application of social media platform, Malaysia's homestay industry can transform its methods in the modern era.

### **Impact of Social Media Usage on Business Performance**

The social media usage (SMU) platform brought opportunities for business development (Hennig-Thurau et al., 2010). SMU contributes to the creation of new business opportunities by providing networking, social capital, new business ideas and models, and fresh insights into the necessity and demands of customers. According to (Vlachvei & Notta, 2015), their conceptual paper highlights that SMU can bring benefit for firm's business performance. The importance of social media SMU in the context of homestay businesses in Malaysia cannot be overstated. Firstly, social media serves as an invaluable marketing tool, offering a cost-effective and widespread platform for reaching potential guests. It serves as a communication bridge, facilitating real-time interactions and personalized engagement. Whether addressing inquiries, providing travel tips, or sharing behind-the-scenes glimpses, homestay businesses can create a more immersive and customer-centric experience through SMU. The interactive nature of SMU enables businesses to gather feedback, adapt to changing preferences, and continually improve their services, ultimately influencing the overall performance and long-term success of homestay ventures in Malaysia. Tajudeen et al. (2018) convinced that SMU has a solid positive impact on organizational performance, which led into cost reduction, enhanced customer relations, and improved information accessibility.

### **Entrepreneurial Orientation as a mediator between SMU and Business Performance**

Entrepreneurial orientation (EO) is determined as a pivotal organizational process which allow a firm to sustain and improve its organizational performance (Amin et al., 2016; Khalili et al., 2013; Miller, 1983; Tajeddini, Trueman, and Larsen, 2006). According to Wiklund and Shepherd (2005), they have argued that firms that have more than one EO attributes prone to focus attention and effort on opportunities. Based on the findings of Kajalo and Lindblom (2015) and Migliori et al (2019), scholars seem to agree that EO has improved the firm's performance in entrepreneurship research. An entrepreneur must develop a suitable strategic action plan to capitalize on EO to achieve a competitive advantage and achieve desired business performance (Martin & Javalgi, 2016; Masa'deh et al., 2018). Simply creating a social media account will not result in improved firm performance because a business must effectively leverage social media to its advantage. This entails comprehending the mediating factors that can convert social media use into firm performance. Having rare, valuable, unique, and non-substitutable resources is essential, according to the resource-based view (RBV) (Barney, 1991), however, this is not sufficient to generate a competitive advantage and above-average returns (Simon et al., 2011). In addition to acquiring resources, managers and entrepreneurs want to understand how to use resources to gain potential advantages. The RBV literatures also support the theoretical conclusion that human capital is a firm's initial resource endowment that managers can use to shape its strategic orientation (Andrews, 1971). Experience, intelligence, education, judgment, knowledge, and skills are all considered

forms of human capital (Barney, 1991; Unger et al., 2011). If a firm's human capital is sufficiently different from its competitors, this can give it a competitive advantage (Alvarez & Barney, 2001).

### **Methodology**

This research conducted as a correlational study design and this study were carried out among homestay operators in Malaysia. Data for this study collected over the duration of eight weeks from willing respondents in Malaysia. The homestay runners in Malaysia who have registered under the Homestay Program with the Ministry of Tourism Malaysia are the target population for this study. The sampling frame that will be used includes all 3,306 operators of homestays in Malaysia that registered under the Ministry of Tourism Malaysia in 2023. The selection of a sampling plan will be determined by the objectives of the research and bring advantages such as savings in time, financial and human resources (Kumar, 2014). Since the number of homestay owners in the Ministry of Tourism Malaysia's database is constantly changing, the sampling frame for this study has been limited to homestays in 2023. Sekaran and Bougie (2003), also mentioned that the sample size is greater than 30 and less than 500 people is sufficient in most research. Thus, this study used Krejcie and Morgan's (1970), sample size reference which proposed that a sample size of between 341 and 346 people of the total population of 3,306 people is sufficient. Data for this research study will be collected using structured questionnaires. Prior to the commencement of the actual data collection, a pilot study will be carried out to ensure the validity and reliability of the data collected.

This study will apply cluster sampling method to gather data from the target population of the study a total of 3,306 homestay operators in Malaysia (as of December 2023). Respondents will be splited into six main zones of the Northern Zone, West Coast Zone, East Coast Zone, Southern Zone, Sarawak Zone, and Sabah Zone. Northern Zone is constituted by the states of Perlis, Kedah, Penang and Perak, West Coast Zone constituted by the states of Selangor, Melaka and Negeri Sembilan. East Coast Zone represented by the states of Pahang, Terengganu, and Kelantan. Southern Zone includes the state of Johor, while the Sarawak Zone consists of Sarawak and Sabah Zone represented by the State of Sabah and the Federal Territory of Labuan. During actual data collection, a total of 350 responses were retrieved from 370 questionnaires.

### **Discussion**

This study conducted and tested 7 hypotheses that were postulated in the research framework. The study has revealed that pricing (PC) has positive relationship on social media usage (SMU). Price is a determinant to identify the quality of a product or service itself, which makes a price as a measuring mechanism to identify the quality of the product or service. Within the homestay owner context, hypothesis 1a analyzed the relationship between PC and SMU. The analysis for PC revealed a positive relationship with SMU ( $\beta = 0.386$ ,  $p\text{-value} < 0.001$ ). PC are views of perceptions related to prices, how customers perceive certain prices (high, low, fair) have a good impact on purchasing pattern and purchase satisfaction (Schiffman & Kanuk, 2007b). The results of this study revealed that marketing (MK) is a significant determinant SMU as evidenced by a p-value of  $< 0.01$ . The beta coefficient value of 0.198 suggests a positive moderate connection between MK and SMU. These findings are consistent with a statement where social media has positive influences in business which it allows business to know the audience / market via several likes and dislikes, assist business to promote their merchandise, able to reach the market without a budget, help to increase



insight to customers in the market and also surpass the competitors with online networking. It is revealed that the huge number of social media sites utilized for customer service is associated with a higher reputation score for a firm (Guo, Y. et al, 2020). Thus, homestay owners need to give priority on this matter as customer service is very crucial or a growth of business. A good customer service level will increase the customer satisfaction which will lead to positive reviews about this homestay. Besides that, this study reveals that information accessibility (IA) also has a positive relationship with SMU. Information accessibility significantly enhances social media usage among homestay owners in Malaysia by providing easy access to marketing resources, real-time communication with potential guests, and tools for enhanced visibility and reach. Customers can easily obtain information about competitors and the industry via social media (Parveen, et al. 2016). Together, these factors demonstrate how accessible information through social media can drive business growth and success for homestay owners.

Besides this, the determinants of SMU also have a positive relationship with entrepreneurial orientation (EO) as confirmed in hypothesis 5. According to resource-based view theory, EO classified as a crucial tool for organization that indulged in electronic field (Colton et al. 2010). This study is also suits with the statement of Purwana et al., (2017) who confirmed that if the entrepreneurs prefer to maintain in new normal era, the start-up business owners must be able to maximize the usage of digital technologies. By integrating their entrepreneurial traits with social media usage, these owners can effectively enhance their brand presence, attract more guests, and drive business growth. According to Fisher (2019), as he proposed that SMU need to encourage firm advantages of information, influence, and solidarity, our findings encouraged in adopting SMU implementations for business enhancement. This increased exposure helps attract more inquiries and bookings, as potential guests are more likely to discover and consider homestays that actively maintain a social media presence. Furthermore, social media enables direct communication with customers, allowing owners to promptly address questions, share updates, and build relationships. This level of engagement fosters trust and encourages positive word-of-mouth, both of which are crucial for attracting and retaining guests. Additionally, social media offers valuable tools for targeted advertising and performance analytics, enabling homestay owners to refine their marketing strategies for optimal results. By using data-driven insights, owners can identify which types of content resonate most with their audience and adjust their posts and advertisements accordingly. This precision in marketing efforts leads to more efficient use of resources and higher conversion rates. Social media platforms also facilitate the collection of customer feedback and reviews, which can be leveraged to improve services and enhance guest satisfaction. Positive reviews and user-generated content further amplify the homestay's reputation, drawing in more guests. Overall, strategic social media usage not only boosts bookings but also strengthens the homestay's brand and customer relationships, leading to sustained business growth. In conclusion, these results proposed that spending more time with social media might not lead to a significant increase in revenue. While SMU have a crucial role in promoting homestay business, other factors considered be more critical in influencing overall business performance of homestay industry. Besides this, this study proposed that EO is important in improving homestay business performance. To support this performance, EO is a critical tool for accelerating the firm's SMU adoption process. According to RBV theory, EO is an intangible resource which considered to be the main source of competitive advantage to enhance business performance (Wiklund and Shepherd, 2011). These findings are

consistent with those of (Sahoo S, & Yadav S., 2017), who studied SMEs in developing countries and concluded that EO is a pivotal tool for firm performance.

### **Theoretical Implication**

The usage of social media usage (SMU) has reformed the tourist behavior as well as the methods used by homestay companies to run their businesses (Gvaramadze, 2022). The Resource Based View (RBV) theory has always acknowledged social media as a useful tool that companies can use to upgrade their performance (Chuang, 2020; Foltean et al., 2019; Ye et al., 2022). Understanding the factors that influence SMU's influence on firm performance is essential, as not all firms experience its direct impact on performance (Foltean et al., 2019). Homestays can gain benefit from SMU by reducing costs, rising brand awareness, and increasing profit. Earlier, this study was introduced the determinants of SMU which influence the homestay business performance in Malaysia based on RBV and Dynamic Capability (DC). This research establishes a framework to identify the influence of four dimensions of SMU (price capability, marketing, customer relation and service and information accessibility) on business performance. On the other hand, this framework also demonstrates the impact of SMU which consists of those four dimensions on the entrepreneurial orientation (EO) and business performance. In addition, this study also demonstrates how EO make contribution by mediate between SMU and the business performance of homestay industries in Malaysia. There are many studies on the SMU and EO in various organizations business performance. However, the research is still lack of understanding in linking those variables in homestay studies especially in Malaysia. Thus, this research provides a significant theoretical contribution by focusing into the SMU and EO on the performance homestay business in Malaysia. This research also confirmed that previous research findings regarding the determinants of social media use which support technology adoption in Malaysia.

### **Practical Implication**

The outcome of this study will have a big impact on a lot of people, like researchers, MOTAC, homestay providers, and the travel and tourism sector. This research can be used as a guide by homestay developers and operators in Malaysia to improve the way their homestay businesses use social media to market and grow. Therefore, it is imperative that Malaysia's homestay and tourism departments launch awareness campaigns and develop a special policy to encourage adoption. This policy can serve as a springboard for raising awareness through educational initiatives that enhance the abilities of homestay operators. Increasing people's understanding and awareness of the state of the environment could be a useful political tactic to boost people's agreement and usage of the technology. Other than that, the practical contributions of social media extend to fostering direct and instant communication between homestay owners and guests. Platforms like WhatsApp and Facebook Messenger facilitate quick responses to inquiries, booking requests, and customer feedback. Furthermore, social media usage contributes practically to the establishment and management of the homestay's online reputation. Positive reviews, user-generated content, and engagement on platforms like TripAdvisor or Google Reviews play a crucial role in building trust. A positive online reputation, cultivated through social media, not only attracts new guests but also contributes to repeat business and referrals, thereby sustaining and improving overall business performance in the competitive homestay industry of Malaysia.

### **Conclusion and Recommendations for Future Research**

The findings of this research concludes that pricing, marketing, customer relation and service and information accessibility are the key determinants of SMU among homestay owners in Malaysia. Social media usage among homestay owners in Malaysia has emerged as a pivotal factor in enhancing business performance. By leveraging platforms like Facebook, Instagram, and Twitter, homestay owners can significantly increase their visibility, attract a broader audience, and engage directly with potential and existing guests. As social media continues to evolve, its strategic use will remain a critical component for homestay owners aiming to thrive in the competitive tourism market. This research also concludes that business performance and SMU which was mediated by entrepreneurial orientation has shown positive impacts on business performance of homestay industry in Malaysia. Homestay owners with strong entrepreneurial traits such as innovativeness, proactiveness, and a willingness to take risks are more likely to leverage social media effectively. Their proactive approach to adopting new technologies and marketing strategies allows them to create engaging content, interact meaningfully with customers, and stay ahead of market trends. By allocating resources to targeted advertising and exploring new social media features, these owners can achieve higher visibility and engagement. Besides this, the combination of SMU and EO creates a powerful synergy that drives business growth for homestay owners in Malaysia. As homestay owners continue to embrace and optimize their social media strategies, those with a strong entrepreneurial orientation will likely see the most significant benefits.

For future recommendation, this research proposed to explore the potential benefits and challenges of collaborations between the homestay business owners and social media influencers in promoting homestay businesses. The reason is due to the social media influencers have a potential impact on consumer behavior and can help homestay owners reach a broader and more targeted audience. Research could examine the effectiveness of influencer marketing campaigns, the types of influencers that yield the best results, and the cost-benefit analysis of such collaborations.

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