

Online social networking websites in innovation capability and hotels' performance in Malaysia

Samer Al-Shami

*Institute of Technology Management and Entrepreneurship,
Universiti Teknikal Malaysia Melaka, Durian Tunggal, Malaysia, and*

Abdul Hadi Al-Hammadi, Abdulla Al Hammadi, Nurulizwa Rashid,
Hayder Al-Lamy and Dheyab Eissa
Technical University of Malaysia Malacca, Durian Tunggal, Malaysia

72

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Abstract

Purpose – The purpose of this study is to examine the role of social network websites (SNWs) on hotels' performance through innovation, especially in emerging countries, which is still lacking.

Design/methodology/approach – A survey was randomly distributed to 219 of 4- and 5-star hotels in Malaysia and the data were analyzed using the structural equation modeling.

Findings – The results confirm that the SNWs have a positive effect on the innovation capacity; meanwhile, the innovation capacity fully mediated the association between online social networks and the firm's performance. Moreover, the association between SNWs and innovation is partially mediated by absorptive capacity (AC).

Originality/value – This paper deliberates the significance of online social networking websites in the improvement of innovation capabilities through business intelligence and information management that improve hotels' performance. This paper also deliberates the methods in which online social networking websites improve AC and information management.

Keywords Performance, Innovation, Networking, Social, Hotels, Websites, Absorptive, Capacity

Paper type Research paper

论马来西亚在线社交网络网站在创新能力和酒店绩效的作用

摘要

研究目的 – 本论文旨在研究社交网络网站 (SNWs) 通过创新对于酒店绩效的作用, 这点在新兴国家还属于发展阶段。

研究设计/方法/途径 – 采样方法为随即问卷, 采样地点在马来西亚4/5-星级酒店, 样本数据采用结构方程模型的方法进行分析。

研究结果 – 本论文结果肯定了SNWs对于创新能力的积极作用, 同时, 创新能力起到SNWs和企业绩效关系的全中介作用。此外, SNWs和创新之间受到吸收能力的部分中介影响。

研究原创性/价值 – 本论文诠释了在线社交网络网站通过商业智能和信息管理对于提高创新能力以及提高酒店绩效的重要作用。本论文还展示了在线社交网络网站如何提高吸收能力和信息管理的方法。

关键词 – 社交网络、网站、创新、吸收、能力、绩效、酒店

论文类型 – 研究型论文



Introduction

Today, the effective use of online social networking websites (SNWs) is witnessing a rapid growth of different online communities and channels, causing the significant impact of online information to potential customers. Understanding the role of social networks in customer behavior could be essential, especially for tourism industry. Customers who are used to confine to direct engagement with service centers has limitations to obtain comprehensive information about quality and service. In the current tourism sector, companies are keen to know the tourists' views of the services rendered as these opinions may determine the customers' behavior regarding the possibility of purchasing the service in the future (Palacios-Marqués *et al.*, 2015) and brand loyalty (Ali, 2016). This phenomenon illustrates the significance of intensive knowledge in the framework of entrepreneurship, which guides entrepreneurs' tendency to handle uncertainties, creates changes or derives benefits from innovative destructions. Although the importance of social network websites in the tourism industry is emphasized in literature, there is a lack of studies that explains how SNWs influence several aspects of firm capabilities and performance (Palacios-Marqués *et al.*, 2015). Thus, this study aims to explain the effects of SNWs on hotel performance (PER) and the creation of value through this technology. For this purpose, the resource-based view (RBV) is used as a lens in analyzing whether SNWs are important sources for competitive advantage and its importance to improving the core capabilities of hotel firms.

The remainder of this paper is structured as follows: First, the conceptualization of SNWs is discussed. Second, how SNWs react to firms' performance and capability is analyzed framed within the RBV. We characterize the SNWs based on their ability to enhance firms' unique capability and analyze how it can enhance the firm's performance and competitive advantage. We also build a hypothetical model that explains the effect of the hypothetical design measurement of the hypotheses on 5- and 4-star Malaysian hotels. Lastly, this paper will discuss and present the methodological and empirical results.

Social networking sites in Malaysia

Malaysia, like many other countries, has been hit by the phenomenon of social networking. A survey by the [Malaysian Communications And Multimedia Commission \(2017\)](#) revealed that there were over 21.9 million social media users in 2016 and approximately 97.3 per cent declared that they have a Facebook account. Tumblr (4.8 per cent), LinkedIn (9.1 per cent), Twitter (26.6 per cent), YouTube (45.3 per cent) and Instagram (56.1 per cent) accounts have surged simultaneously, in contrast with the previous year. Conversely, Line Timeline (7.6 per cent), Google+ (28.3 per cent) and WeChat moments (43.7 per cent) accounts have only started in the previous year (Malaysian Communications And Multimedia Commission, 2017). The previous decade witnessed an exponential growth in the number of people who use SNWs for businesses or as individuals. Individuals harness the user-friendliness of social media sections and features aimed at communication and socialization, while businesses use social media for marketing. The acceptance of SNWs through tourism consumers and suppliers, scholars and practitioners has been corroborated by research on social media (Kim and Park, 2017). For example, Hamid *et al.* (2016) found that communication through SNWs, especially in virtual tours, plays a significant role in the tourist's decision to visit Malaysia. Another study by Hashim and Fadhil (2017) emphasizes that Malaysian hotels, as well as clients who share their traveling experiences use social media features as their primary communication medium.

Theoretical development

Tourism organizations are experiencing opportunities and pressures within the present economic and technological environment. First, studies have shown that information is a

crucial source of competitive advantage in today's information economy (Solima *et al.*, 2016). The extensive spread of information gives opportunities for organizations to obtain strategic information (Santoro *et al.*, 2018). Second, technological evolution driven by digital tools and internet has bridged the gap between information origins. Researchers are now focusing on the strategic use of advanced information and communication technologies to manage and acquire information and expand competitiveness (Solima *et al.*, 2016). In many studies, innovation patterns have shown to be related to the ability of organizations to join new sources of knowledge or to connect to previous ones in an innovative manner (Santoro and Vrontis, 2017; Santoro *et al.*, 2018).

The role of SNWs has been studied in different perspectives, such as its technical aspects (Mata *et al.*, 1995) and hospitality innovation and services (Palacios-Marqués *et al.*, 2015). Because of the ubiquity of SNWs in online travel information (Casaló *et al.*, 2010), it is significant to examine the role of SNWs in enhancing the performance and competitive advantage of hotels. Drawn from the RBV that advocates firm's capabilities and resources could create sustainable competitive advantages (Davicik and Sharma, 2016), it is anticipated that the SNWs enhance firm's capabilities to increase its performance (Trainor, *et al.*, 2014). In this case, companies' online forums, as well as YouTube, LinkedIn and Facebook that create a network between users and hotels are considered as online social media (Leung, 2019).

Online social media is developing within correlative intelligence from one million users over the years (Leung *et al.*, 2015) and is the driver for triggering futuristic intention (Mount, 2014). According to Piller *et al.* (2012), social media can be used to conduct marketing activities, increase sales, deliver customer service and assist in the co-creation of new products. For example, Starbucks created a social network community in which customers can share feedback, discuss offerings and generate new ideas useful for the management of the firm (Ransbotham, 2010). Despite the importance of social media in business development, not all firms are successful in using social media in their businesses. Scholars, such as Lane (2006) and Schlagwein and Hu (2017) argued that organizations should work toward grasping information through users via social media. Additionally, Culnan *et al.* (2010) highlighted the significance of proper feedback from clients as a modern method through which information is derived from critical communication of multiple platforms.

Resource-based view

RBV has been extensively used to understand the exploitation of the firm's resources to achieve its competitive advantage. RBV is found to be an appropriate lens, considering this study aims at investigating firms' capabilities and resources in enhancing their performance for competitive advantage (Davicik and Sharma, 2016). The main assertion of RBV is that the firm's competitive advantage and superior performance is strongly dependent on two variables: productive resources and capabilities. Productive resources are defined as resources that are valuable, rare, inimitable and distinctive resources, while capabilities refer to the firm's abilities to take advantage of its resources (Barney, 2001). The utilization of SNWs shows a vital character within the client's interaction, who are the sources of knowledge and information that improve the competitive advantage. According to von Hippel (1976), 80 per cent of innovations within the production of technological instruments transpire formulation of prototypes evaluated through users and producers. Nejad *et al.* (2014) categorized social influence into four mechanisms through which consumers influence consumer innovation decisions. The first is contacting others, which enables consumers to become aware of new products and services. The second is improving socialization, wherein the consumers become able to dispute the outcome with others via prospering a standardized perception about the relevant costs and benefits toward reducing issues related to original production acceptance. The third is the status competition, in which

consumers can accept modern production by gaining or maintaining social position. Finally, the impact of SNWs on the social norms of consumers toward adopting advanced production in society. Therefore, we hypothesize that:

H1. The use of SNWs has a positive effect on innovation capacity.

The economic performance of a firm ultimately depends on its capabilities to capture the customers' knowledge and how that knowledge is used to create new products (Palacios-Marqués *et al.*, 2015). By incorporating skills and innovative capabilities of firms in the analysis of firm performance, a more holistic view is obtained because of the fundamental role of the accumulation of tacit and explicit knowledge (Sigala and Chalkiti, 2012). Innovation capacity affects firm performance, thus explain the differences of sustained performance among firms due to the slow diffusion of best practices and the difficulties in imitating complex marketing capabilities (Tidd and Bessant, 2009; TEECE1, 1997). These types of competencies complement each other in enhancing their effectiveness and driving the firm's competitive advantage. TEECE1 (1997) states that when firm-specific assets are assembled in integrated clusters spanning among individuals and groups, they allow distinctive marketing activities that constitute organizational routines or competences. Similarly, Uhmavaara (2016) holds that there are specific requirements to support an organization's innovativeness, such as the ability to identify threats and opportunities from the market, the acceptance of risk, uncertainty, change and a view toward long-term benefits. Considering this theoretical reasoning, we can formulate the second hypothesis as:

H2. The association between firm performance and SNWs is mediated by innovation capability (INN).

Absorptive capacity and social networking sites

Absorptive capacity (AC) is known as the effective ability of an organization to alter, grasp, acquire and exploit information obtained from external sources to enhance efficiency (Campos-Climent and Sanchis-Palacio, 2017; Cohen and Levinthal, 1990). An essential feature of AC theory is that it should not prevail accepted measures about previous knowledge that can ensure its consistency within actual volumes, although it offers intangible support for exploiting previous knowledge (Lane, 2006). Using knowledge necessitates movement via four elements, namely, transform, acquire, exploit and assimilate, which are used to trace an organization's capability within an enterprising organization (Zahra and George, 2002). In this regard, the utilization of SNWs by hotels facilitates the development of their AC based on four reasons. First, the utilization of social media tools may influence their intra-organizational collaboration and communication. At the individual level (Hsu, 2012), it encourages information accumulation and offers a broad range of usage for online collaboration within the organization. For example, hotels can acquire and pass original information by practicing, broadcasting and filtering external information through an organizational representative through internal social media such as blogs. However, to obtain the advantage of external knowledge, it is important to address clients' needs and problems. Second, the utilization of social media tools influences communication and collaboration, leading to assimilation, especially when the hotels search for the specific idea and customers' opinions regarding their products, services, strategies, etc. This helps to acquire the amount of useful knowledge for assimilation, which is important at the conceptual stage, especially for decreasing uncertainties (Cohen and Levinthal, 1990) and improving the quality of their decision based on a greater mix of knowledge (Ravichandran, 2005; Varkaris and Neuhofer, 2017). For example, hotel managers can use SNWs to build organizational memory because

engaging in an internal social network through email allows them to capture information inconsistent with proper conventional knowledge management systems on every section and transpires within organizational workforce turnover. This helps to transform individual tacit knowledge and exploit knowledge through internalization networks. [Campos-Climent and Sanchis-Palacio \(2017\)](#) express that the fusion of external and internal knowledge, including the assistance of showing AC, is completed by the guidance from social networking sites. Furthermore, [Campos-Climent and Sanchis-Palacio \(2017\)](#) emphasized that an organization can derive competitive advantage within the acquisition concerning AC by integrating current information obtained from exterior sources and gain important knowledge toward using their rival within the market. Third, the use of SNWs facilitates the condition of the possible AC associated with interpretation and understanding through obtaining information ([Lane and Lubatkin, 1998](#); [Zahra and George, 2002](#)). Finally, the effective use of SNWs empowers the organization as a media firm to further correlate publishing and sharing about content covering divergent positions, such as hotels that have several branches. Further, the use of external blogs and wikis for managing and restoring documents helps organizations dealing with many agencies to monitor and centralize their work ([Ali, 2016](#)). Hence, the third research hypothesis is:

H3. There is a positive and significant association between AC and online SNWs.

[Zahra and George \(2002\)](#) expound the innovation activities of an organization, stating that AC shows a vital character. Thus, the greater the AC, the further an organization can use its method within innovation, perceive infusion and prospect advanced options that can converge its organizational specification. [Campos-Climent and Sanchis-Palacio \(2017\)](#) assert that an organization that grasps AC at a primary phase is inclined toward obtaining an enduring competitive advantage for the rapid cost of advanced action and product development. Addressing AC through a combination of social media encourages innovation activity by helping the organization to obtain the information required through integrated intention within the help of a virtual network, which presents the extensive movement of augmented regularity ([Scuotto et al., 2017](#)). The fourth hypothesis is:

H4. The connection between SNWs and INN is mediated by AC.

Research methodology

Variables definition

In [Table I](#), three constructs, namely, company performance, innovation performance and AC were developed. A seven-point Likert scale was used to measure the questionnaire items, in which “1” indicates that the respondent strongly disagree. Meanwhile, “7” indicates that the respondents strongly agree.

Online social networking websites

In line with [Boyd and Ellison \(2007\)](#), we designated SNWs as a web-based utility that acquiesces individuals toward:

- formulating a semi-public or public figure inside a surrounded system;
- cohere a directory about more users along whom they proportion a network; and
- perspective and bisect their directory of the network, and these forms remain in the system.

[Culnan et al. \(2010\)](#), argued that three elements have to be implemented to gain value from social media which includes “mindful” adoption, community building and AC. In line with

Constructs	Item loading	Cronbach's alpha	AVE	CR	Online social networking websites
<i>Online social networks sites</i>					77
SNW1: Our hotel shares knowledge and information via online social communities	0.839				
SNW2: Our hotel activated several social media platforms	0.958				
SNW3: Our hotel can utilize SNWs and incorporate blogs to carry out business activities	0.911	0.92	0.817	0.930	
<i>Innovation capacities</i>					
INN1: Our hotel repeatedly attempts to achieve modern concepts	0.819				
INN2: Our hotel pursues modern methods via executing tools	0.864				
INN3: Our hotel is innovative in their activity techniques	0.842				
INN4: For five years, the new product introduction has increased in our hotel	0.574	0.84	0.614	0.861	
<i>Absorptive capability</i>					
AC1: Our hotel develops advanced operation through implementation comprehended as advanced insight	0.818				
AC2: Our hotel reviews work procedures based on new knowledge gained	0.88				
AC3: Our hotel obtains effective capability in the transmission of external intelligence, which is valued and perceived by our trading partners	0.824				
AC3: Our hotel possesses an effective capability to successfully integrate modern insight gained from our business partners and existing knowledge	0.648	0.87	0.636	0.873	
<i>PER (over the past three years of growth)</i>					
<i>Growth</i>					
PER1: Our hotel witnessed a rapid growth in market share	0.938				
PER2: Employees' number increased in our hotel	0.953				
<i>Profitability</i>					
PER3: Our hotel attained its profit goals	0.942				
PER4: Our hotel has a better return on investment	0.922	0.97	0.881	0.967	

Table I.
Convergent validity

Boyd and Ellison (2007), Kaplan and Haenlein (2010) and Scuotto *et al.* (2017), this research measured SNWs in three items as follows: social media platforms, social media capabilities and social communities. The respondents were asked to respond on how they effectively use SNWs, they build their online communities and they develop their capabilities to effectively use SNWs.

Innovation capability

OECD (2005) designates innovation in the following ways which are: “execute an advanced or enhanced production (services or goods), a method, a modern advertising and marketing approach or a new managerial practice.” Similar to Divisekera and Nguyen (2018), this research measured innovation activities under four items as shown in Table I.

Absorptive capacity

The AC is defined as “the ability of the company toward act evidently produced insight, via convert knowledge and its commercial application that produces the significance of the

company.” In line with [Scuotto et al. \(2017\)](#), the AC is measured based on four items as shown in [Table I](#).

Hotel performance

Performance refers to the overall change in business growth and profitability over the past three years. PER was measured according to five items based on [Palacios-Marqués et al. \(2015\)](#) and [Tajvidi and Karami \(2017\)](#).

Finding and analysis

This study scrutinized the role of SNWs in firms’ performance mediated by innovation. It also investigated the mediating effect of AC between SNWs and innovation performance among Malaysian tourism firms. The study targeted 5- and 4-star hotels in Malaysia. The sample size of the registered sector included 359 hotels: 136 5-star hotels and 223 4-star hotels ([Ministry of Tourism Art and Culture Malaysia, 2019](#)), hence, the entire population was used as a sample of the research. An online survey was administered to the 359 hotels: 231 responded to the survey, 12 responses were incomplete, while 219 completed the survey. The targeted respondents were the managers of the hotels.

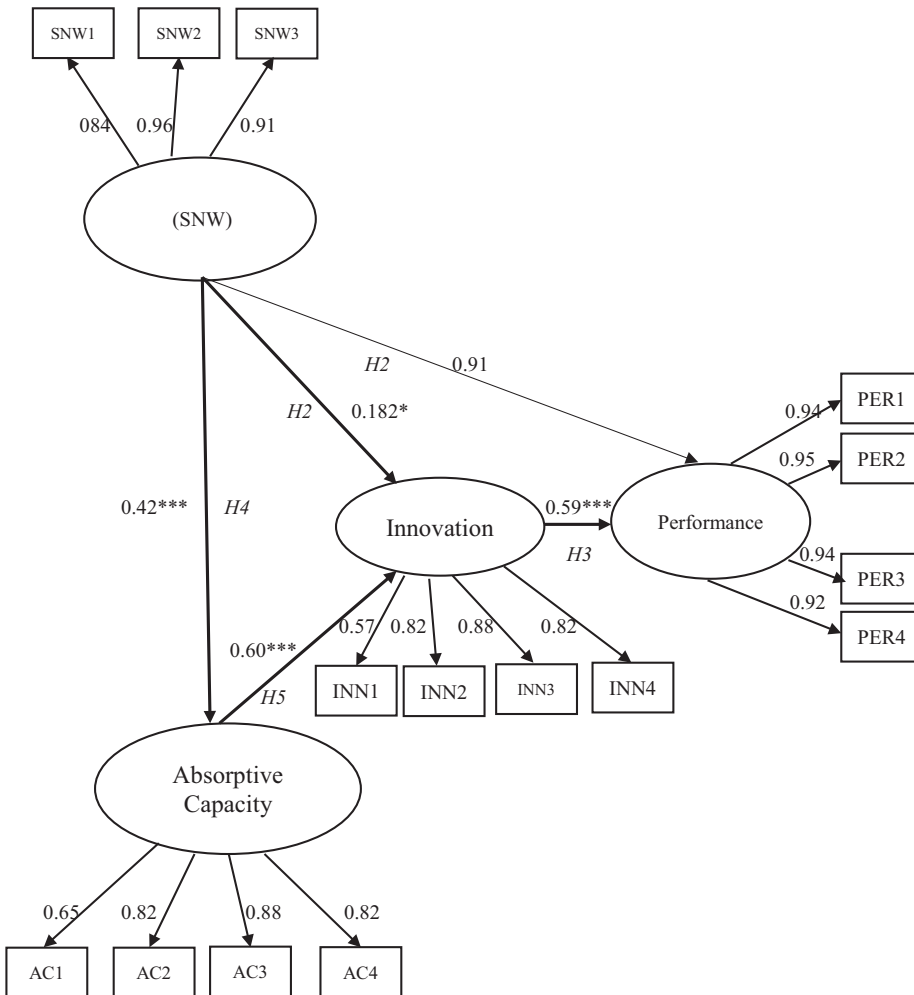
Constructs validity

First, the composite load factor was used for reliability and the difference was obtained to assess convergent competencies ([Fornell et al., 1981](#)). In this study, the factor loading for all measurements scored over the suggested level of 0.60. As shown in [Table I](#), compound reliability indicating the degree to which construction indicators show that the underlying structure ranged between 0.861 and 0.967 was higher than the suggested level 0.7. The mean-variance (AVE), which indicates the total amount of variation in the parameters calculated by passive construction, was in the range from 0.614-0.881, above the suggested level of 0.5, as endorsed by [Hair et al. \(2010\)](#).

In [Table II](#), the associations per construct were fewer compared to the average square root that measures this construct, indicating that this measure has sufficient discriminating power. This indicates an effective analysis model, which confirmed sufficient reliability, close competencies and power to discriminate. There were several indicators that establish effective suitability of the analysis model. It had a standard 3.65 m², which is less than 5. The comparative fit index (CFI) (0.956), goodness-of-fit index (GFI) (0.910) and non-normed fit index (NNFI) (0.943) all indicated significance of more than the 0.9 cut-off value. Furthermore, the adjusted goodness-of-fit index (AGFI) obtained 0.873, which surpassed the suggested cut-off level of 0.8 ([Schutz, 1970](#)). The square root of the root means square error of approximation (RMSEA) (0.08) is equal to the optional level of 0.08. Therefore, hinging on the effective analysis above, an effective measurement model fitted effective data ([Figure 1](#)).

Table II.
Discriminant validity
about design

Design	1	2	3	4
1-SNWs	1.131			
2-AC	0.595	0.741		
3-INN	0.689	0.709	1.36	
4-PER	0.573	0.538	0.99	1.797



Notes: Fitness Indexes 1. P value = 0.000; 2. RMSEA = 0.81; 3. CFI = 0.959; 4. TLI = 0.949; 5. ChiSq/df = 3.652

Figure 1.
Framework of SNWs
and innovation

Model structure

The structural model was used with an effective maximum likelihood estimate (MLE) via the AMOS version 22. The whole model fit is $X^2 = 310$, while the degree of freedom is 85 at a p -value < 0.000. All the fit indicators confirm the GFI is 0.91, which is more than the minimum cut-off value of 0.90. The CFI is 0.960, the AGFI is 0.873, the Tucker–Lewis index (TLI) is 0.95, and the RMSEA that measures effective difference per rate containing ability is 0.08. Anderson and Gerbing (1992), documented the CFI that shows the effective greatest constant and strong competitive indicators. The value of R^2 for the association between exogenous factors (online social networking websites) and PER was 0.40, indicating 40 per cent of the variance in firm performance can be illustrated by the independent variable of social networking sites (Table III).

The use of SNWs has a positive effect on INN *H1*. The value of R^2 for the association between the exogenous variable (SNWs) and INN was 0.52, indicating that 52 per cent of the variability in innovation capabilities can be explained by the independent variable SNWs (Table III). The outcome indicates $\beta = 0.182, p < 0.05$, implying that the use of SNWs has a positive and significant relationship with innovation capabilities in the hotel industry. The use of SNWs for knowledge transfer from customers and employers has positive and significant effect on the overall INN of the hotels in this study. The results have similarities with the finding of Palacios-Marqués *et al.* (2015) and Tajvidi and Karami (2017), which found SNWs have positive effect on INN in the application of new idea, process or methods to improve or develop product, as well as process and market innovations. In addition, these results are comparable to the findings of Scuotto *et al.* (2017) in which the participants emphasized that the use of SNWs is more interested, facilitated knowledge and information transfer from customers and shared them with everyone. This practice allows them to acquire the knowledge entailed against the client's perspective that is not refined through the company. These relations generate new opportunities for dissemination of the firm's network and growth by exploiting know-how to acquire competitive advantage.

Second, we found that INN is fully mediated the relationship between the use of SNWs and the PER (*H2*). The value of R^2 shows that 68.2 per cent of the variability in PER can be explained by innovation capabilities (Table III). The outcome indicates that $\beta = 0.811, p < 0.0001$, indicating that the innovation capabilities have a significant and positive relation among PER. The findings are inconsistent with studies Palacios-Marqués *et al.* (2015) and Tajvidi and Karami (2017), in which SNWs such as Twitter and Facebook are useful tools for hotel marketing to achieve competitive advantage and improve their performance by improving their innovation capabilities. They facilitate communication with tourists and their business partners instead of using offline networks. This is because SNWs can empower companies toward selecting futuristic markets and yield the possibility of engaging advance divisions regarding clients who possess special demand during the buying procedure (Sigala and Chalkiti, 2012).

Third, the use of SNWs enables hotels to improve their AC (*H3*). The R^2 value shows that 42 per cent of the variance within AC was perhaps elucidated by the independent variable of SNWs (Table III). The outcome indicates that $\beta = 0.811, p < 0.0001$, which implies that effective SNWs practice indicates a significant and positive relationship among hotels' AC. This implies that the hotels with high capacity in exploring, transforming and assimilating, and exploiting knowledge are more likely to be innovative. This finding is in line with several studies suggesting that customers play an active role in promoting innovations (Scuotto *et al.*, 2017). The firms use all of the SNWs to improve its AC in transforming and integrating external and internal knowledge in an environment where individuals can exchange information, collaborate, discuss common concerns and build relationships

Description	R^2	Path coefficient	Hypotheses	C.R.	Label
SNWs-PER	0.40	0.091	H1	1.37	Not support
SNWs-INN	0.52	0.182	H2	2.8*	Support
INN-PER	0.59	0.682	H5	10.1***	Support
SNWs-AC	0.42	0.526	H1	12.3***	Support
AC- INN	0.60	0.811	H3	9.04***	Support

Notes: ***very high significant; **highly significant; *significant

Table III.
The structural model
summary

(Palacios-Marqués *et al.*, 2015). In addition, these platforms facilitate the interaction of hotels with stakeholders such as consumers, public institutions and other companies. Based on this research, the use of SNWs has provided hotels with a great opportunity for not only to promote and advertise among their clients but also to share their perspective and recommendations about their products and services, as well as their negative and positive criticism: Group intelligence is created whether through user links or introduction and arrangement of content. The SNWs allow the executives to recognize social networks connected via their business, get connected and engaged with the main audience.

Fourth, our results indicate that the connection between SNWs and INN is partially mediated by AC, *H4*. The value of R^2 for the association between hotels' AC and their innovation capabilities was 0.60, indicating 60 per cent of the variability in innovation capabilities can be explained by AC (Table III). The results show $\beta = 0.811$, $p < 0.0001$, indicating that the hotels' AC has a significant and positive relationship with their innovation capabilities. This implies that the use of SNWs enables hotels to improve their capacity in exploring, transforming, assimilating and exploiting knowledge, leading to a significant improvement in their innovation capabilities. As stated by Cohen and Levinthal (1990), note AC enables companies to acquire, assimilate and transfer external knowledge within the organization for the production of new ideas. This process creates new technical knowledge based on user-oriented innovation. On the other hand, information on customer requirements for specific meals, departure times and access from the company enabled the development and change of working hours and menu style to acquire this market. Sawyer *et al.* (2014), asserted that the use of online social network websites enables hotels in the city of Whyalla, South Australia to absorb external knowledge towards innovation.

Conclusion and implications

Drawing practical implications from this study, we conclude that an understanding of the relevance of SNWs as Information technology-based source drives policymakers and other agencies to support the hotel industry in Malaysia and elsewhere. Our results show that SNWs have a positive role in both innovation capabilities and AC. The results of this paper allow practical implications. This paper offers insight that firms, especially the hotels/owners/managers that use selected SNWs for their networking positively improve and enhance their business performance. Access to SNWs is not equivalent to completely exploiting those sources. The companies need to build their innovation capabilities and AC to make the most of the accessible SNWs. In this respect, our results confirm that using SNWs enhances the companies' competencies, namely, the innovation capabilities and AC, which subsequently lead to increased performance and competitive advantage. This paper has theoretical contribution to the SNWs and RBV literature in hotel industry. In this paper, innovation capabilities and AC have been conceptualized in the context of hotel industry. This paper confirms the fully mediating role of innovation capabilities in the association between the use of SNWs and firm performance operating in hotel industry.

Limitations and future research

This paper is limited to a particular business, hence, it requires replication on other industries. We anticipate that the significance of SNWs might differ in other contexts, other businesses and other countries. Future research that verifies the outcomes of the present paper in other hospitality sectors such as restaurants or clubs are recommended. Moreover, social media might have a different impact on different grades of hotels, for example, luxury or economy hotels. At the same time, the competence in which knowledge is transferred is determined by the firm's capability to absorb it, while the

firms' AC determined by employees' capacities. Nonetheless, an in-depth paper is essential to comprehend how marketing capabilities can be developed through SNWs and the organizational dynamics that contribute to this process. Concerning the methodology, the proportion we used is strongly validated and it acts as an exploratory improvement that desires advances of factual function through improving and testing. Moreover, this research has a focal point for hotels. The conclusion about the outcomes endures minimally through the usage concerning a single decision within the sample and narrowly, one country (Lee and Chen, 2012).

We also believe that a longitudinal study would provide a nuanced understanding of the role of SNWs in facilitating the organization's AC to attain firm's competitive advantage. Cross-sectional research design has the limitation of presenting a one-shot explanation of the phenomena in comparison to a longitudinal study that takes into consideration the changes in the environment and inferred patterns overtime.

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Corresponding author

Samer Al-Shami can be contacted at: samshami79@gmail.com

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