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The Effect of Social Media Marketing, Brand Image, Promotion, Competitive Advantage, and Service Quality on Firm Performance

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ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh pemasaran media sosial, citra merek, promosi, keunggulan kompetitif, dan kualitas layanan terhadap kinerja agen perjalanan internasional. Data dikumpulkan secara langsung dengan mengirimkan kuesioner online melalui Google Forms. Responden meliputi supervisor, manajer, dan pemilik yang secara aktif mengelola akun media sosial agen. Sampel penelitian terdiri dari 107 responden yang memenuhi syarat dan dianalisis menggunakan Partial Least Squares-Structural Equation Modeling (PLS SEM). Hasil penelitian menunjukkan bahwa citra merek, promosi, keunggulan kompetitif, dan kualitas layanan masing-masing memiliki pengaruh positif dan signifikan terhadap kinerja perusahaan; sementara pemasaran media sosial tidak menunjukkan pengaruh serupa. Hasil ini menyoroti dominasi citra merek, promosi, keunggulan kompetitif, dan kualitas layanan dalam mendorong kinerja di sektor perjalanan internasional.

Kata Kunci: citra merek, keunggulan kompetitif, kinerja perusahaan, promosi, kualitas layanan

ABSTRACT

This study aims to analyze the influence of social media marketing, brand image, promotion, competitive advantage, and service quality on the performance of international travel agents. Data were collected directly by sending an online questionnaire via Google Forms. Respondents included supervisors, managers, and owners who actively manage the agency's social media accounts. The study sample consisted of 107 qualified respondents and was analyzed using Partial Least Squares-Structural Equation Modeling (PLS SEM). The findings indicate that brand image, promotion, competitive advantage, and service quality each have a positive and significant influence on company performance; in contrast, social media marketing does not show any such influence. These results underscore the dominance of brand image, promotion, competitive advantage, and service quality in driving performance in the international travel sector.

Keywords: brand image, competitive advantage, firm performance, promotion, service quality

INTRODUCTION

Batam's strategic location, just across from Singapore, makes it a uniquely positioned area facing both challenges and opportunities distinct from other regions in Indonesia. As a fast-growing economic zone, Batam's SMEs play a critical role in supporting not only the local economy but also contributing to national growth (Sentoso et al., 2024). In the face of increasing competition and rapid technological advancement, these businesses, particularly in the tourism and travel sectors, must adopt more strategic and adaptive approaches to stay competitive and improve overall performance. Today's globalized world, combined with fast-moving technology, places transportation at the heart of daily life, making travel quicker and less complicated. As passenger habits shift with each new gadget or trend, firms offering transport services face escalating competition and must keep readapting (Kemala et al. 2023).

The travel and tourism sector has undergone a remarkable transformation since online services became mainstream; these digital tools now streamline everyday tasks and make ticket purchasing far easier for consumers. This shift is evident on platforms such as Booking.com and Expedia, which have

turned what was once a lengthy in-person chore into a quick few clicks. Industry analysts project that, by 2023, worldwide revenue from travel and tourism will exceed 521.18 billion U.S. dollars, with growth momentum continuing beyond that figure (Popsa, 2023). Because most travel agencies now rely on straightforward online platforms, customers can quickly and effortlessly take care of ticket purchases, car rentals, and other trip details, which in turn adds real value to the overall journey.

However, behind these various conveniences, International Travel Agents also face various challenges in the form of currency exchange rate fluctuations that affect operational costs and the price of the packages offered. Based on data from the Central Bureau of Statistics (BPS), the Rupiah exchange rate against the US Dollar increased from IDR14,269 in 2021 to IDR15,731 in 2022, before dropping slightly in 2023 (Yogatama, 2023). This increase in the exchange rate increases costs to travel agents who have to pay for services in foreign currency. The exchange rate is one of the most important macroeconomic variables, because changes in the exchange rate affect economic stability and activity (Prasetyo et al., 2021). In addition, the pandemic that occurred previously was also very detrimental to the economic recovery of each affected country and paralyzed all tourism industries in the affected countries which caused company performance to decline (Rahman et al., 2021).

The next challenge During the Covid-19 pandemic that occurred the previous year, international ship shipping from Batam to Singapore and vice versa was closed, then when the Covid-19 rate decreased this international shipping route was reopened but at a much higher price than before to Rp.700,000 from Rp.390,000 to Rp.480,000, the price increase almost doubled simultaneously causing problems for International Travel Agents, especially in Batam City (Yawabadi, 2024). However, the Covid-19 pandemic has had a huge impact on the tourism sector.

Travel Agent not only provides the needs for each trip, but also has added value offered in the form of meaningful experiences through the tourism products they provide. Travel Agent has a job that actively offers a variety of existing tourism products. Travel Agent does not only aim to sell the product but also to offer value or meaning of the tourism product offered. The role of International Travel Agent is increasingly important judging from the existing developments and contributions made by the tourism sector through foreign exchange earnings, regional revenues, regional development, and for the absorption of investment and labor as well as for developing businesses (Sukmawati, 2023).

The substantial increase in the number of social media users and the significant increase in user engagement in the tourism industry has led to the widespread use of social media marketing activities (Liu et al., 2023). In tourism, social media facilitates consumer commitment and brand image development among tourism organizations (Barreda et al., 2020). With a positive brand image, it can increase customer trust and loyalty. Meanwhile, promotion is a company's marketing communication to its consumers. Promotional tools consist of advertising, personal selling, sales promotion. Promotion involves disseminating information about a product, product line, brand or company. Promotion aims to inform the target audience about the organization and its products (Ayenew, 2023). This Competitive Advantage, in turn, can have a positive impact when customer trust and loyalty increase (Ningsih, 2019). According to Ayenew (2023), successful Service Quality through many factors, such as reliability, tangibility, empathy, responsiveness, and assurance is very important because it can improve Firm Performance. In addition, Firm Performance can be improved by conducting an effective Promotion strategy.

This study breaks new ground by putting forward a single framework that gathers five key factors believed to shape how well an international travel agency performs. Those factors are social media marketing, brand image, promotion, competitive advantage, and service quality. Earlier work has certainly looked at each of these elements in isolation to see how they drive firm performance. Yet few researchers have dared to set them side by side in the same model, especially within the travel-agency sector that crosses national borders. Research by Ningsih (2019) examines how brand image influences firm performance, positing competitive advantage as a mediating factor. The work integrates only two constructs-brand image and competitive advantage-and deliberately leaves out other potentially relevant variables. Furthermore, research by Putra et al. (2021) Examines that the link between service quality and firm performance, the study first notes that only these two factors are considered in earlier works. While useful, that narrow focus overlooks a broader picture. By incorporating social media marketing, brand image, service quality, and promotion, the present research offers a more multidimensional view of how firms perform. Moreover, it specifically tests the additional effects of these elements, thereby filling gaps left by prior studies and deepening our understanding of what truly drives firm success.

Hypothesis Development

The Effect of Social Media Marketing on Firm Performance

Based on previous research by Maduku (2024) states that Firm Performance has a significant impact on Social Media Marketing, especially in terms of sales and relationship development. In the article researched by Alhamami et al. (2024) states that Firm Performance can be improved by communicating with customers so that customer satisfaction occurs. By doing Social Media Marketing, the company can reach customers well and widely, so that Firm Performance can increase. The same thing is found by Nuseir & Aljumah (2020) which states that companies can gain insight into customer preferences and interact directly which in turn can improve Firm Performance so that social media has an important role to improve Firm Performance. With the use of social media, companies can improve Brand Image, encourage innovation, and strengthen marketing capabilities which ultimately have a positive impact on Firm Performance (Tajvidi & Karami, 2021). According to research conducted by Mirza (2023) states that social media is an important tool to improve Firm Performance. By using Social Media Marketing, companies can increase innovation and reduce costs, which in turn is significantly positive for Firm Performance.

H₁: Social Media Marketing has a significant positive effect on Firm Performance.

The Effect of Brand Image on Firm Performance

According to research by Ningsih (2019) in improving Firm Performance, Brand Image has an important role to increase customer loyalty and build consumer confidence so that it ultimately has a positive impact on Firm Performance. With a positive Brand Image, the company can retain customers. Furthermore, research conducted by Santoso (2020) states that Brand Image contributes positively to Firm Performance. This research identifies that Brand Image can increase purchase intentions and consumer confidence. Another study conducted by Negara (2020) found Firm Performance can be improved by Brand Image which plays an important role that can increase purchase intentions so that Brand Image can strengthen the relationship to Firm Performance. Brand Image not only improves perceptions in the minds of consumers. With a positive Brand Image can build consumer confidence which causes Brand Image to have a positive effect on Firm Performance (Li et al. 2023). Other research results by Abd-Elrahman et al (2020) concluded that Brand Image has an influence to increase consumer confidence and attractiveness. With the emotional connection between consumers and companies from a positive Brand Image, it can contribute positively to Firm Performance.

H₂: Brand Image has a significant positive effect on Firm Performance

The Effect of Promotion on Firm Performance

According to Abdeta & Zewdie (2021) to build effective communication channels Promotion is needed as a tool for marketing. Consumer perceptions can be changed by consumer perceptions so that Promotion is often the key to improving marketing. According to other research researched by Setyawati et al. (2020) states that small and medium enterprises (SMEs), Green Promotion has a role to improve the company's image and improve the relationship between the company and consumers so that the Promotion strategy has a positive impact on Firm Performance indicators. In research Amoa-Gyarteng et al. (2024) states that doing a Promotion strategy can be a strategy that has a significant impact on the performance of SMEs. But the use of Promotion needs to take an innovative approach to maintaining Brand Image. Conducting a Promotion strategy has a positive impact on improving Firm Performance. Companies can increase sales volume with effective promotional campaigns (Bukoye et al. 2023). Ayenew (2023) states that Promotion has a significant influence on the company's operational performance. Organizational Performance that can be improved can be in the form of profitability, market share, and customer satisfaction.

H₃: Promotion has a significant positive effect on Firm Performance

The Effect of Competitive Advantage on Firm Performance

Research by Rotjanakorn et al. (2020) states that Competitive Advantage has an important role to strengthen Firm Performance. By increasing competitiveness through product adjustments to changing market needs will improve Firm Performance. According to Mohammad & Wasiuzzaman (2021) to improve Firm Performance, companies can do competitive. With Competitive Advantage can create differences that are difficult to imitate so that Competitive Advantage has a positive effect on

Firm Performance. Other research by Novitasari & Agustia (2023) states Competitive Advantage has a positive effect on Firm Performance. Competitive Advantage has a crucial role in Firm Performance, this advantage can be in the form of leadership in costs, product differentiation, and market responsiveness that allows companies to maintain market share. By implementing a Competitive Advantage strategy, companies can increase competitiveness and sales growth (Çelik & Uzunçarşılı, 2023). Another study by Insee & Suttipun (2023) examined that Competitive Advantage helps companies deal with pressure so that Firm Performance is better so that Competitive Advantage has a crucial role that can improve Firm Performance.

H₄: Competitive Advantage has a significant positive effect on Firm Performance

Effect of Service Quality on Firm Performance

Ali et al. (2023) concluded that Service Quality has a close relationship with Firm Performance. With quality service, customer loyalty increases. This study concluded that Service Quality has a positive impact on Firm Performance. According to Ojo (2021) Service Quality has a significant positive impact on organizational performance. Furthermore, other studies have concluded that using Service Quality as a measurement framework consisting of reliability, assurance, empathy can have a significant effect on Business Performance (Irshad & Maher, 2019). Lebdaoui & Chetioui (2020) concluded that companies are able to improve Service Quality as a mediating factor that can improve Firm Performance. Another study by (Abd-Elrahman et al., 2020) examines that this study highlights Service Quality which is important for improving Organizational Business. In this study, Service Quality which consists of tangibility, reliability, responsibility has a significant influence on organizational performance.

H₅: Service Quality has a significant positive effect on Firm Performance

METHODS

The method used in this research is quantitative research. Quantitative research is an approach that utilizes numerical data obtained through observation to explain and describe the phenomena that can be seen from these observations. This approach uses empirical statements, which serve as a real description of the meaning of a case, not about an ideal case or should be, and applies various relevant methods (Taherdoost, 2022). The population of this study is all International Travel Agent supervisors, managers, or owners who have managed International Travel Agent social media. Data collection was collected using google form online through a questionnaire that was answered by respondents who had met the criteria for respondents. The data used is primary data. Primary data is data that has not been published and is first-hand information that has not been altered by any individual. Using primary data, helps to obtain high-quality data that can improve results and has the opportunity to add further data when needed during the research procedure (Taherdoost, 2021). Primary data through the results of questionnaire questions consisting of 30 questions with 5 independent and 1 dependent variables. This research uses Partial Least Squares-Structural Equation Modeling (PLS SEM). PLS-SEM is used to maximize the variance explained in the dependent variable. When using PLS-SEM, certain relationships are more likely to be statistically significant when they exist in the population. The higher statistical power makes PLS-SEM particularly suitable for exploratory research where theory is less developed (Hair Jr. et al., 2017).

The research questionnaire uses the Purposive Sampling method. Purposive sampling is a sample whose characteristics are determined for purposes relevant to the research. The greater the number of inclusion and exclusion sample selection criteria set, each for a required purpose, the more Purposive the sample will be (Andrade, 2021). Purposive sampling method with the criteria of Batam City Community who are all supervisors, managers, or owners of International Travel Agents who have managed the social media of International Travel Agents. The questionnaire started with the first section which was general information consisting of Gender, Age, Last Education, Occupation, Average income per month, Type of Service most frequently used, Travel Purpose, Type of Application/social media used. Furthermore, the questionnaire continued with questions from 6 variables. These variables consist of Social Media Marketing taken from (Alhamami et al. 2024), Brand Image taken from Maduku (2024), Promotion taken from (Amoa-Gyarteng et al., 2024; Abdeta & Zewdie, 2021), Competitive Advantage taken from (Farida & Setiawan, 2022), Service Quality taken from (Zygiaris et al., 2022), Firm Performance taken from (Alshuaibi et al., 2024).

Social Media Marketing is a marketing and promotional activity for services or products carried out by a company and business through digital media or the internet (Riwoe & Mulyana, 2022). For the next variable, Brand Image is an impression that is owned and exists in the minds of consumers and the public towards a brand (Pandiangan et al., 2021). According to Priangga et al. (2022) promotion is a promotion to encourage customer desires which ultimately influence customers to make purchases. Furthermore, according to research Saputri et al. (2024) Competitive Advantage is a strategic position that must be achieved by the company in order to face intense competition between competing business actors. Service Quality variable is the level of results or advantages expected from service quality that can be influenced by price increases and differences between consumer perceptions of service quality and perceived company performance (Kesumahati & Marbun, 2021). For the last variable Firm Performance is a company action where the company is able to utilize the resources available to the company properly and well (Asir et al. 2023). For questions from the variables in table 1 will be answered with a 5-point Likert scale. The scale consists of 1 for "strongly disagree", 2 for "disagree", 3 for "neutral", 4 for "agree", and 5 for "strongly agree".

Common Method Biases aims to avoid failures that may occur when processing data to be processed. The main factor that causes failure in a data to be processed is usually the variance method (Priscilla & Joven, 2024). Variance Inflation Factor (VIF) testing criteria, it must have a VIF value <10 for no multicollinearity (Ndruru et al., 2020). For data that has been processed, the VIF value starts from 1,658 - 4,533. So it can be concluded that all indicators in the model do not have excessive multicollinearity so that this research can be used for further analysis.

RESULTS

Table 1
Demographic Characteristics of Respondents

Characteristics	Frequency	Percent	Percent Valid	Cumulative Percent
Gender				
Female	44	41.1	41.1	41.1
Male	63	58.9	58.9	100.0
Age				
<20 years	12	11.2	11.2	11.2
20-29 years old	19	17.8	17.8	29.0
30-39 years old	29	27.1	27.1	56.1
40-49 years old	36	33.6	33.6	89.7
>50 years	11	10.3	10.3	100.0
Last Education				
Junior High School	3	2.8	2.8	2.8
Senior High School/ Equivalent	59	55.1	55.1	57.9
Bachelor	42	39.3	39.3	97.2
Master	3	2.8	2.8	100.0
Jobs				
Student	7	6.5	6.5	6.5
Private Employee	63	58.9	58.9	65.4
Entrepreneurship	37	34.6	34.6	100.0
Average income per month				
<Rp. 5,000,000	32	29.9	29.9	29.9
Rp. 5,000,001 - Rp. 10,000,000	39	36.4	36.4	66.4
IDR 10,000,001 - IDR 15,000,000	17	15.9	15.9	82.2
> Rp. 15,000,000	19	17.8	17.8	100.0
The type of service most frequently used by customers at your Travel Agent				
Airplane Tickets	42	39.3	39.3	39.3
Travel Packages	16	15.0	15.0	54.2
Accommodation (hotel/resort)	26	24.3	24.3	78.5
Local Transportation Services	23	21.5	21.5	100.0
Purpose of trips made by customers				
Business	10	9.3	9.3	9.3
Vacation	80	74.8	74.8	84.1
Family Visit	12	11.2	11.2	95.3
More	5	4.7	4.7	100.0
Total	107	100.0	100.0	

Source: Processed data

The research questionnaires collected in this study were 107 respondents. Furthermore, 107 respondents were used to analyze research data. Based on Table 1, which has been analyzed, it is found that the respondents in this study are mostly male with 58.9% and female with 41.1%. The majority of respondents were aged 40-49 years (33.6%). The most recent education is in high school/equivalent with 55.1%, For employment data the majority of respondents are private employees with 58.9%. Furthermore, the most income section has an income between Rp. 5,000,001 - Rp. 10,000,000 (36.4%), For the type of service most often used is airplane tickets (39.3%) and the last demographic data is the purpose of the trip the most is vacation (74.8%).

Table 2
Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Brand Image (BI)	0.742
Competitive Advantage (CA)	0.733
Firm Performance (FP)	0.778
Promotion (P)	0.767
Service Quality (SQ)	0.740
Social Media Marketing (SMM)	0.675

Source: Processed data

According to Umar et al. (2023) explain that Average Variance Extracted (AVE) is used to assess the extent to which indicators account for the variance in their underlying construct. Conventionally, an AVE value of 0.5 is accepted as the benchmark. When AVE equals 0.5, it signals that at least half of the variance in the indicator data is explained by the construct itself. Table 3 confirms that every variable in this study exceeds the 0.5 threshold, indicating that all variables are valid.

Table 3
Cronbach Alpha & Composite Reliability

	Cronbach's Alpha	Composite Reliability
Brand Image (BI)	0.913	0.935
Competitive Advantage (CA)	0.906	0.932
Firm Performance (FP)	0.929	0.946
Promotion (P)	0.924	0.943
Service Quality (SQ)	0.912	0.934
Social Media Marketing (SMM)	0.879	0.912

Source: Processed data

All variables in the Cronbach Alpha & Composite Reliability data results meet the Cronbach Alpha & Composite Reliability requirements. These results indicate that all indicators used are reliable and consistent.

Table 4
Outer Loadings

	Brand Image (BI)	Competitive Advantage (CA)	Firm Performance (FP)	Promotion (P)	Service Quality (SQ)	Social Media Marketing (SMM)
BI1	0.844					
BI2	0.850					
BI3	0.886					
BI4	0.864					
BI5	0.863					
CA1		0.681				
CA2		0.910				
CA3		0.903				
CA4		0.905				
CA5		0.860				
FP1			0.870			
FP2			0.894			
FP3			0.897			
FP4			0.853			

	Brand Image (BI)	Competitive Advantage (CA)	Firm Performance (FP)	Promotion (P)	Service Quality (SQ)	Social Media Marketing (SMM)
FP5			0.897			
P1				0.826		
P2				0.899		
P3				0.851		
P4				0.897		
P5				0.902		
SMM1						0.836
SMM2						0.809
SMM3						0.841
SMM4						0.866
SMM5						0.750
SQ1					0.839	
SQ2					0.877	
SQ3					0.829	
SQ4					0.872	
SQ5					0.883	

Source: Processed data

To test Convergent Validity data can be seen through Outer Loadings or loading factors. If the indicator in a data has outer loading > 0.6, it can be declared to have good convergent validity (Duryadi, 2021). Outer Loadings results can be seen in Table 4. In Table 4 all indicators on 6 variables have outer loading > 0.6 which can be declared to have good convergent validity. The CA1 indicator has an Outer loadings value that is close to 0.6 but is still declared to have good convergent validity.

Table 5
Cross Loadings

	Brand Image (BI)	Competitive Advantage (CA)	Firm Performance (FP)	Promotion (P)	Service Quality (SQ)	Social Media Marketing (SMM)
BI1	0.844	0.743	0.714	0.712	0.763	0.682
BI2	0.850	0.661	0.729	0.665	0.693	0.703
BI3	0.886	0.768	0.706	0.642	0.72	0.666
BI4	0.864	0.757	0.766	0.694	0.738	0.692
BI5	0.863	0.743	0.804	0.751	0.754	0.712
CA1	0.642	0.681	0.590	0.631	0.628	0.625
CA2	0.780	0.910	0.796	0.717	0.857	0.624
CA3	0.716	0.903	0.775	0.693	0.808	0.565
CA4	0.749	0.905	0.798	0.694	0.797	0.553
CA5	0.762	0.860	0.775	0.648	0.763	0.63
FP1	0.769	0.803	0.87	0.802	0.821	0.693
FP2	0.77	0.781	0.894	0.774	0.807	0.708
FP3	0.801	0.809	0.897	0.716	0.765	0.651
FP4	0.704	0.725	0.853	0.655	0.699	0.594
FP5	0.769	0.745	0.897	0.752	0.813	0.682
P1	0.676	0.622	0.716	0.826	0.662	0.771
P2	0.687	0.652	0.722	0.899	0.71	0.766
P3	0.685	0.66	0.726	0.851	0.702	0.763
P4	0.768	0.75	0.746	0.897	0.737	0.663
P5	0.712	0.762	0.769	0.902	0.767	0.687
SMM1	0.644	0.521	0.628	0.702	0.579	0.836
SMM2	0.655	0.565	0.609	0.688	0.561	0.809
SMM3	0.695	0.655	0.635	0.723	0.661	0.841
SMM4	0.68	0.603	0.674	0.708	0.619	0.866
SMM5	0.626	0.502	0.552	0.591	0.484	0.75
SQ1	0.782	0.773	0.754	0.704	0.839	0.67
SQ2	0.724	0.786	0.735	0.68	0.877	0.535
SQ3	0.634	0.695	0.726	0.608	0.829	0.518
SQ4	0.735	0.791	0.765	0.7	0.872	0.588
SQ5	0.784	0.837	0.83	0.817	0.883	0.726

Source: Processed data

One way that can be used to assess discriminant validity is cross loadings. By looking at the cross loadings value, it can conclude the relationship between indicators and constructs. The high correlation value of each indicator with the represented construct indicates that discriminant validity is met (Nurchahyo, 2020). Cross Loadings on each variable must have a value of > 0.7 to qualify for cross loadings (Duryadi, 2021).

Table 6
Heterotrait-Monotrait Ratio of Correlations

	Brand Image (BI)	Competitive Advantage (CA)	Firm Performance (FP)	Promotion (P)	Service Quality (SQ)	Social Media Marketing (SMM)
Brand Image						
Competitive Advantage	0.941					
Firm Performance	0.937	0.954				
Promotion	0.876	0.866	0.906			
Service Quality	0.932	0.992	0.960	0.888		
Social Media Marketing	0.897	0.787	0.834	0.925	0.787	

Source: Processed data

The requirement for HTMT testing in order to declare the two constructs different, HTMT must have a value below 0.9 (Yuwono et al., 2024). The HTMT results state that there are several constructs that have a value > 0.9 which indicates that there is a discriminant validity problem or there is similarity between constructs. However, there are several pairs of constructs that have a value < 0.9 which indicates that the constructs are different or have no similarity. Service Quality and Competitive Advantage have the highest correlation of 0.992. In addition, Social Media Marketing with Competitive Advantage and Social Media Marketing with Service Quality have the lowest value of 0.787.

Table 7
Fornell Larcker

	Brand Image (BI)	Competitive Advantage (CA)	Firm Performance (FP)	Promotion (P)	Service Quality (SQ)	Social Media Marketing (SMM)
Brand Image	0.861					
Competitive Advantage	0.853	0.856				
Firm Performance	0.866	0.877	0.882			
Promotion	0.806	0.789	0.841	0.876		
Service Quality	0.852	0.904	0.887	0.818	0.860	
Social Media Marketing	0.803	0.694	0.756	0.833	0.710	0.822

Source: Processed data

If the square root value of AVE is higher than the correlation of the construct with other constructs, then discriminant validity is considered fulfilled (Gelvi, 2024). Brand Image has a $\sqrt{\text{AVE}}$ value of 0.861 which has a small difference in correlation with other constructs, namely Firm Performance (0.866). The Competitive Advantage construct has a $\sqrt{\text{AVE}}$ of 0.856 but other constructs have a higher value of 0.904. This also happens to the Firm Performance construct which has a $\sqrt{\text{AVE}}$ of 0.882, but another Service Quality correlation is higher at 0.887. The Promotion construct has a $\sqrt{\text{AVE}}$ of 0.876 and another highest correlation of 0.841 so that discriminant validity is met. The Service Quality construct has a $\sqrt{\text{AVE}}$ of 0.860 and other correlations Competitive Advantage 0.904 and Firm Performance 0.887 so that it is not fulfilled. The Social Media Marketing construct has a $\sqrt{\text{AVE}}$ of 0.822, but its correlation with Promotion reaches 0.833, which means discriminant validity has not been met.

Table 8
Path Coefficients (Direct Effect)

	Original Sample (O)	T Statistics	P Values
H ₁ : Social Media Marketing -> Firm Performance	0.033	0.384	0.701

H ₂ : Brand Image -> Firm Performance	0.216	2.059	0.040
H ₃ : Promotion -> Firm Performance	0.215	2.011	0.045
H ₄ : Competitive Advantage -> Firm Performance	0.247	2.057	0.040
H ₅ : Service Quality -> Firm Performance	0.280	2.344	0.019

Source: Processed data

Social Media Marketing has an insignificant influence on Firm Performance

Table 8 reveals that the link between Social Media Marketing and Firm Performance is statistically insignificant. Evidence from the analysis records an original sample estimate of 0.033, T-statistics of 0.384, and P-value of 0.701. These values indicate that Social Media Marketing fails to enhance the performance of international travel agents; thus, H1 is rejected. Consequently, the findings suggest that the social media strategies employed by these agents do not yield a meaningful contribution to firm performance. This finding contradicts numerous previous studies that suggest social media can reach a wider customer base, increase customer satisfaction, and strengthen brand image. This serves as a signal for management to evaluate content quality, interaction frequency, and the utilization of existing social media features. Based on research conducted by Maduku (2024), it was stated that Company Performance has a significant impact on social media marketing. In a previous article conducted by Alhamami et al. (2024), it was stated that improving Company Performance can be improved by communicating with customers so that customer satisfaction occurs. By conducting social media marketing, companies can reach customers better and wider. The same thing was found by Nuseir & Aljumah (2020) who stated that companies can gain insight into customer preferences and interact directly which can ultimately improve Company Performance. By using social media, companies can improve Brand Image which ultimately has a positive impact on Company Performance (Tajvidi & Karami. 2021). Furthermore, according to previous research conducted by Mirza (2022), social media is an important tool for improving Company Performance. By using Social Media Marketing, companies can increase innovation.

Brand Image has a significant positive effect on Firm Performance

Table 8 shows that there is a positive significant effect of the Brand Image relationship on Firm Performance. From the table results obtained for the original sample 0.216, T Statistics 2.059, P Values 0.040. From these results it can be concluded that Brand Image has a significant positive effect on Firm Performance and hypothesis H2 is accepted. A good brand image builds customer trust and loyalty. In the context of travel agencies, a strong brand image can create a perception of high service quality, even before customers experience the service. This is a long-term asset that can maintain a competitive advantage and increase word-of-mouth recommendations. According to Ningsih's (2019) research, brand image plays a crucial role in enhancing customer loyalty and building consumer trust, ultimately positively impacting company performance. Furthermore, research conducted by Santoso (2020) states that brand image positively contributes to company performance. Brand image can increase purchase intention and consumer trust. Another study conducted by Negara (2020) found that company performance can be enhanced by brand image, which plays a crucial role in increasing purchase intention, thus strengthening the relationship between brand image and company performance. Brand image not only enhances perceptions in the minds of consumers, but also builds consumer trust, which positively impacts company performance (Li et al., 2023). Another study by Abd-Elrahman et al (2020) concluded that brand image has the potential to increase consumer trust and appeal. A positive brand image can positively contribute to company performance.

Promotion has a significant positive effect on Firm Performance

Table 8 shows that promotional relationships have a positive and significant effect on company performance. The evidence is clear: the initial sample value is 0.215, the t-statistic is 2.011, and the p-value is 0.045. Therefore, this hypothesis is accepted. Effective promotions, both online and offline, can increase a company's visibility and attract new customers. In the international travel industry, seasonal promotions, discounts, and bundled packages are often powerful strategies for increasing sales. According to Abdeta & Zewdie (2021) to build effective communication channels Promotion is needed as a tool for marketing. Consumer perception can be changed by consumer perception so that Promotion is often the key to improving marketing. According to another study examined by Setyawati et al. (2020)

stated that small and medium enterprises (SMEs), Green Promotion has a role to improve the company's image and improve the relationship between the company and consumers so that the Promotion strategy has a positive impact on Company Performance. In the study of Amoa-Gyarteng et al. (2024) stated that implementing a Promotion strategy has a significant impact on the performance of SMEs. However, the use of Promotion requires an innovative approach to maintain Brand Image. Implementing a Promotion strategy has a positive impact on improving Company Performance. Companies can increase sales volume with effective promotional campaigns (Bukoye et al., 2023). Ayenew (2023) stated that Promotion has a significant influence on the company's operational performance. Organizational Performance that can be improved can be in the form of profitability, market share, and customer satisfaction.

Competitive Advantage has a significant positive effect on Firm Performance

Table 8 shows a direct and statistically significant positive effect between Competitive Advantage and Firm Performance. The initial sample path coefficient is 0.247, with a t-statistic of 2.057 and a p-value of 0.040, indicating that stronger Competitive Advantage is reliably associated with better performance. With these results, this hypothesis is positively accepted. Competitive advantages, such as product differentiation, competitive pricing, and services that are responsive to market needs, are the main keys to maintaining and improving business performance. Research by Rotjanakorn et al. (2020) states that Competitive Advantage plays a crucial role in strengthening Company Performance. Increasing competitiveness through product adjustments to changing market needs will improve Company Performance. According to Mohammad & Wasiuzzaman (2021), to improve Company Performance, companies can engage in competitive strategies. Competitive Advantage can create differences that are difficult to imitate, thus positively impacting Company Performance. Another study by Novitasari & Agustia (2023) states that Competitive Advantage positively impacts Company Performance. This competitive advantage can take the form of cost leadership, product differentiation, and market responsiveness, enabling companies to maintain market share. By implementing a Competitive Advantage strategy, companies can increase competitiveness and sales growth (Çelik & Uzunçarşılı, 2023). Another study conducted by Insee & Suttipun (2023) examines that Competitive Advantage helps companies deal with pressure, thus improving Company Performance, thus Competitive Advantage plays a crucial role in improving Company Performance.

Service Quality has a significant positive effect on Firm Performance

Table 8 shows a significant direct and positive effect between Service Quality and Company Performance. This can be seen from the T-statistic value of 0.280 and the P-value of 0.019. These results indicate that Service Quality will improve Company Performance. Therefore, this hypothesis is accepted because there is a positive and significant effect. In the travel agency business, responsive, accurate, and friendly service is a strong differentiator amidst fierce competition. This indicates that investment in employee training and a reliable service system is crucial to improving company performance. Ali et al. (2023) concluded that Service Quality has a close relationship with Company Performance. With quality service, customer loyalty increases. This study concluded that Service Quality has a positive impact on Company Performance. According to Ojo (2021) Service Quality has a significant positive impact on organizational performance. Furthermore, other studies have concluded that the use of Service Quality as a measurement framework consisting of reliability, assurance, empathy can have a significant influence on Business Performance (Irshad & Maher 2019). Lebdaoui & Chetioui (2020) concluded that companies are able to improve Service Quality as a mediating factor that can improve Company Performance. Another study by (Abd-Elrahman et al., 2020) examined that this study highlighted Service Quality as important for improving Organizational Business. In this study, Service Quality consisting of tangibility, reliability, responsibility has a significant influence on organizational performance.

Table 9
Coefficient of Determination (R²)

	R Square	R Square Adjusted
Firm Performance	0.858	0.851

Source: Processed data

The R Square coefficient value is between zero and one (Yuwono & Wiwi, 2021). Based on the results of the table obtained, it can be stated that Firm Performance has an R Square value of 0.858 where the independent variables in the model can explain Firm Performance by 85.8% and the remaining 14.2% is explained by other variables outside the model.

Table 10		
Standardized Root Mean Square Residual (SRMR)		
	Saturated Model	Estimated Model
SRMR	0.066	0.066

Source: Processed data

An SRMR value of less than 0.10 states that the model created is suitable or fulfilled. In addition, the model is said to be fit if the SRMR value is 0.08 (Shecillia, 2023). Table 10 shows that the Saturated and Estimated Model values have a good level of fit and have met the criteria.

CONCLUSION

The results of this study conclude that brand image has a positive and significant influence on company performance; promotion has a positive and significant influence on company performance; competitive advantage has a positive and significant influence on company performance; service quality has a positive and significant influence on company performance, while social media marketing does not have a significant influence on the performance of international travel companies. Findings indicate that Batam-based international travel agents have not reaped noticeable gains in overall performance from social media marketing alone. By contrast, their firm performance is linked more closely to solid brand image, well-targeted promotions, clear competitive advantage, and consistently high service quality.

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