

The Impact of Social Media Usage on Marketing Performance via Innovation: An Empirical Study on Service Firms in Egypt

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Abstract

With the growing intensified competition and development of the service sector, innovation has become vital dimension for firms to enjoy competitive advantages and yield positive outcomes on the economy. The use of social media (SM) as one of the service firm communication tools fosters innovation and has always been of critical importance to both academia and practice. Thus, this study focuses on the impact of SM usage based on both knowledge exploration and exploitation on the marketing performance via the most widely accepted four innovation types in past literature, which consist of product, process, marketing and organizational innovation in the Egyptian private service sector. Questionnaires were distributed electronically to gather data. Data gathered from 385 private service firms from the top management level. Data has been analyzed via Structural Equation Modelling (SEM), AMOS 22. Results indicated that SM usage has a significant positive direct impact on all types of innovation with varying relative effects. Additionally, it has been found that marketing innovation played the greatest direct and positive impact on the marketing performance, followed by the product innovation, however, the process innovation has been found to have negative impact on the marketing performance. While the organizational innovation does not directly impact the marketing performance. This study contributes to the literature by highlighting on the SM usage and the vital types of innovation that lead to higher marketing performance in the service sector which needs more attention from service marketing managers. Also, this study helps the service providers in the private service firms to focus on the significance role of SM in exploring and exploiting knowledge especially from customers to innovate in a better way to consequently enhance the marketing performance.

Keywords: social media, innovation, marketing performance, service sector, Egypt

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1. Introduction

The business environment has been undergoing vibrant changes over the past twenty years especially with the use of social media (SM) and innovation (Freixanet et al., 2021). Innovation has been an indicator for success for business firms, affecting the business and marketing performance and driving the firm's growth (Aksoy, 2017). Innovation consists of four main categories which are related to product outcome (service or goods), process, marketing and organizational innovation. With a blend of these four components, firms can achieve uniqueness, have lower sensitivity to price and gain more profits (Afriyie et al., 2019). Hence, with the growing power of customers as active partners (Rosenbaum et al., 2017) and severity of today's business competition, marketing managers are increasingly recognizing the need for innovation for developing their firms and possessing relative competitive strengths (Bhimani et al., 2019; Bhatti et al., 2021).

The growth and progressing of the service sector urged firms to seize the innovation opportunities especially those with great social and economic effect. This has become an interest for scholars in the organizational research field (Ferraz & Santos, 2016). Service firms are increasingly recognizing the critical role played by innovation in the societal and economic progression (Ferraris et al., 2017). Therefore, innovation supports service firms in improving their performance, generally during the difficult time of Covid-19 crisis, and help them survive (Ando, 2021) and one of the unsurpassed and influential communication tools which leads to nurturing innovation is the SM usage (Mention *et al.*, 2019).

With the use of social media (SM), customers may initiate several firms' products and can also participate in the process of firms' innovation (Payne et al., 2008). This is due to the ability of SM in allowing the exchange of information through user generated contents since it includes web 2.0 applications' technology and ideology (Kaplan & Haenlein, 2010). According to Mention *et al.* (2019), SM support firms' innovation and the prompt transfer of information in various ways and shapes, for example, via free voices and immediate messaging with customers help to increase the coordination between firms and their customers and created chances for having innovative ideas. Thus, firm's marketing managers need to explore and exploit the shared knowledge on SM to undertake specific actions based on that to compete successfully (Alrowwad et al., 2020).

Nevertheless, there is an immense growth of SM among several firms, there are limited researches which investigate the role of SM usage based on knowledge exploration and exploitation and its consequences based on employees' perspective (Parveen et al., 2016; Hameed et al., 2018). Hardwick and Anderson (2019) and

Freixanet et al. (2021) mentioned that research about firms involved in innovation and SM usage is still unclear and lacking the empirical side and requires future investigations. Also, Corral de Zubielqui and Jones (2020) urged the need for measuring the impact of innovation and marketing performance. In accordance with this thought of inquiry, this research aims to measure the impact of SM usage (knowledge exploration and exploitation) on innovation (including all of its four types) and marketing performance from the employees' perspectives in service firms.

2. Theoretical Background and Hypotheses Development

2.1. SM and Innovation

Social media get stakeholders, firms, users and societies together. They have become a part of the daily activities performed by individuals and businesses (Dwivedi et al., 2020). Firms are progressively recognizing their importance in communicating and engaging stakeholders and fostering innovation (Mention et al., 2019). On a massive scale, social media platforms provide cost effective techniques to the generation and use of innovative ideas, experiences and solutions. They demonstrate a feedback platform for better ideas, effective communication and networking with stakeholders (Oyewobi et al., 2020). Therefore, firms can make use of SM users' ideas and generated contents to better improve and innovate their services and products (Patroni et al., 2020). Consequently, this study is based on SM usage that is described as the ability of firm's to use SM in order to predict and find innovative ideas (knowledge exploration) and to execute and apply them (knowledge exploitation) (Kiron et al., 2013 and Freixanet et al., 2021).

Such knowledge and ideas form the main contributors in innovation that will possibly lead to better developments (Freixanet et al., 2021). Therefore, SM usage follows the Resource-based-view theory "RBVT" which emphasized on the role of firms' internal resources (characteristics, processes, assets, knowledge, and capabilities) and also in adopting selected strategies to gain competitive advantage and achieve a balance between efficiency and effectiveness in their operations (Barney, 1991, p. 101; Marchant et al., 2020). Firms differ in the resources they own (such as SM resources) which may significantly contribute to their failure or success, limit their access to the market or affect their marketing performance (Kozlenkova et al., 2013). SM resources may be perceived as major obstacles to some firms who can not well- communicate and manage their brands with stakeholders and may not be able to respond to customers' complaints (Herhausene et al., 2019). They are vital platforms for fast sharing of information especially about firms' new market offers and for stimulating the engagement of customers in the innovation activities. They support firms in the acquisition and sharing of knowledge, getting innovative ideas and better interacting with competitors, stakeholders and community at large (Perez-Gonzalez et al., 2017; Zhang et al., 2020).

Previous studies such as Dong and Wu study (2015) and Freixanet et al. (2021) indicated the significance of SM in improving the value of information through using the user-generated ideas to develop new ideas and take corrective actions in the innovation. Based on Oslo manual OECD (Organization for Economic Cooperation and Development) (2005), innovation includes four types namely; product, process, marketing and organizational innovation. Product innovation is described as any improvements in the product or service (Zaefarian et al., 2017). Process innovation means any developments related to the production process (Dost et al., 2020). Marketing innovation is defined as new marketing methods (Hassan et al., 2013). Organizational innovation means new workplace regulations (Polder et al., 2010). Thus, in line with these prior studies, this study will test the impact of SM on all innovation types as presented in the following hypotheses:

- H1: The SM usage has a significant positive impact on product innovation
- H2: The SM usage has a significant positive impact on process innovation
- H3: The SM usage has a significant positive impact on marketing innovation
- H4: The SM usage has a significant positive impact on organizational innovation

2.2 Innovation and Marketing performance

According to Anning-Dorson (2017) and Gupta (2021) innovation differentiates between firms and can create the firm's competitive advantage, foster its growth and supports some firms' survival while develop other firms to be leaders in the market. Innovation has a growing pervasiveness in the business due to its contribution to firm's competitiveness particularly in the service sector (Buenechea-Elberdin, 2017). Innovation management is about presenting a firm's creative new goods, services, processes, ideas and marketing techniques which distinguish it from the competitors (Gupta, 2021).

The four innovation types, which include product, process, marketing and organizational innovation have significant impact on the market performance and offer firms several benefits related to customer services developments (Oslo manual OECD, 2005). In more details, product innovation is related to utilitarian benefits related to enhancing goods and services (Aksoy, 2017; Afriyie, 2019; Zaefarian et al., 2017). Also, process innovation entails using new and innovative techniques in conducting the businesses (Akgün et al., 2013, Dost et al., 2020). The innovation in marketing involves employing new marketing techniques to bring about major

modifications in the promotion, packaging, placement and pricing strategies (Hassan et al., 2013). According to Polder et al. (2010), organizational innovation involves the introduction to a new work and environmental conditions, regulations, and decision-making, and new approaches to handling external relations. This study in line with previous studies of follows the classification of OECD of innovation and considers that the firm's innovation is a key element of marketing performance.

According to Oslo manual OECD (2005), one of the critical forms of innovation is product innovation which includes making modification and radical improvements in the firm's functional products and services' attributes. There is a positive relationship between product innovation and firm's performance. Product innovation is the most prominent kind of innovation mentioned in past literature due to its strategic significance in adapting with market trends (Vaona & Pianta, 2007) and great impact on the firms' marketing performance (Varis & Littunen, 2010). Also, Datta (2011) indicated that effective product innovation strategies yield revenues, help firms to enlarge their market shares and positively affect the firm's marketing performance. Product innovation involves presenting novel goods and services with respect to their new features and utilities, new product lines expansion, new customized offerings according to target market needs and wants (Atalay et al., 2013). It provides high customer value and supports firms' growth opportunities which yield a positive impact on the firm's marketing performance. Thus, the following hypothesis is developed:

H5: There is a significant positive impact of product innovation on the firm's marketing performance

Process Innovation encompasses the implementation of a new value-added successions of a firm's activities. Largely, it means innovation related to the production methods inside the firm (Dost et al., 2020). Extensively, process innovation varies in scope and nature from one firm to another. It necessitates full comprehension of the firm's processes (Lager, 2017) and includes huge developments in the firm's procedures, tasks, and activities that could be shown in the firms' advanced tools, equipment, and software for ensuring and implementing quality (Gunday et al., 2011). Process innovation has positively affected the firms' marketing performances (Gupta, 2021). Therefore, the following hypothesis is developed:

H6: There is a significant positive impact of Process innovation on the firm's marketing performance

According to Dost et al. (2020), innovation and marketing are well connected. Marketing innovation may include various changes in design, positioning, branding and pricing of products and services. Some factors such as innovative distribution channels and communication tools, and new market and customer data extraction and analysis are examples of marketing innovation (Hammer, 2004). This is because marketing innovation should include evaluating customers' perceptions to understand the unmet customer needs and create opportunities for the firms' new products and services to meet those needs (Kohlbacher, 2013) and generate high marketing performance and customer value (Afriyie et al., 2019; Wang et al., 2020). Thus, this hypothesis is developed as follows:

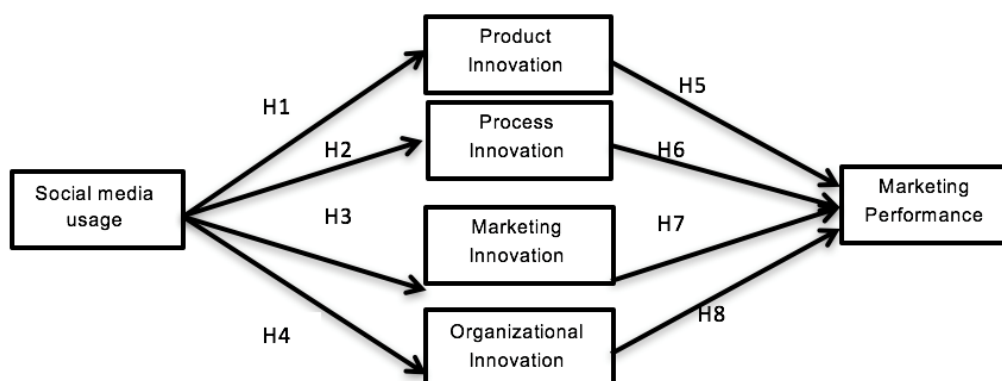
H7: There is a significant positive impact of Marketing innovation on the firm's marketing performance

Organizational innovation means all firm's procedures which makes innovation an essential and built-in component of its management regulations such as modifications in the management and human resources systems and improvements in the customer-suppliers relationships (Polder et al., 2010). Previous studies indicated that organizational innovation positively impacts the firm's marketing performance in varies industries and services (Yeh-Yun Lin & Yi-Ching Chen, 2007). Therefore, the following hypothesis is developed:

H8: There is a significant positive impact of Organizational innovation on the firm's marketing performance.

Based on the previous studies, the following research model is presented below

Figure (1): The Research Conceptual Framework



3. Methodology

A quantitative study has been conducted to examine the impact of social media usage (knowledge exploration and knowledge exploitation) on marketing performance via innovation (product, process, marketing and

organizational innovation) in the private service sector in Egypt where there is a severe market competition from one side and from the other side, innovativeness in services is connected with their growing role in the economy. Innovation is seen as an essential link in developing a strong economy. Predominantly in the private sector, which contributes by 84.5% in the total production and contributes by 86.4% in the gross value added in the Egyptian economy (CAPMAS, 2021).

The researchers used an online survey format, which was distributed based on a convenience sampling technique to 530 firms targeted the top management level in the private service sector such as: education, banking, insurance, information and communication, real estate, healthcare, transportation, etc. mainly in Cairo and Giza, since the highest percentage of the private firms were found in Cairo governorate at first and second in Giza governorate according to CAPMAS (2021). The response rate was 73% as only 385 firms have responded and completed the electronic questionnaires due to the limited time of the top management level.

Based on the data collected, the researchers were able to test the research hypotheses via the structural equation modelling (SEM), AMOS 22. The questionnaire consisted of three main parts based on five point Likert scale and the last part was about respondents' characteristics. The first part was about the social media usage in the private service sector that consists of knowledge exploration and knowledge exploitation. The scale items of social media usage consisted of 7 items that were adapted from Freixanet et al. (2021). The second part was about innovation, which comprised (product, process, marketing and organizational innovation). The scale items of the 4 types of innovation included 21 items that were adapted from Afriyie (2019). The third part was about marketing performance included 9 items that were adapted from Khan and Khan (2021).

4. Results and Analysis

The Structural Equation Modelling (SEM) was done based on AMOS 22. First of all, descriptive statistics for the sample unit have been presented. Next, convergent validity and reliability analysis, discriminant validity, and measurement model fit indices have been measured before testing the research hypotheses.

4.1 Descriptive Statistics for the Research Sample

The sample size was 385 firms in the Egyptian private service sector. The employees who responded to the survey were from top management level, 45.5% female and 54.5% male and 75% of the sample were above 40 years old. The 385 firms were from different service industries such as banking, computer services, education, health, media, telecommunication, etc. The size of the firms ranges from <10 employees to >250 employees.

4.2 Convergent Validity and Reliability Analysis

Explanatory factor analysis (EFA) was used to measure the convergent validity. From table (1), the EFA was evaluated based on the principal component analysis. Factor loadings of 0.5 or more are significant for sample sizes of 350 or greater (Hair et al., 2014). Further, Kaiser- Meyer-Olkin (KMO) and Bartlett's Test were evaluated as shown in table (1). According to Hair et al. (2010), KMO returns values are between 0 and 1 and the values closer to 1 are better. Moreover, a significant Bartlett's test of sphericity is required while p is less than 0.05 (Bartlett, 1951). In addition, the EFA was used to notice the unidimensionality of each construct. Unidimensionality is an indication that a single construct underlies a set of measures (Anderson & Gerbing, 1988). The unidimensionality was stated by the Average Variance Extracted (AVE) that must be greater than 50% (Hair et al., 2010).

Besides, the reliability test was measured because it identifies the degree to which a scale produces consistent results if measurements are done repetitively and according to Hair et al. (2014), the Cronbach's alpha greater than 0.7 shows a good level of reliability. In this paper and as shown in table (1), the shaded items have been deleted in order to improve the validity and reliability of the scales, where the loading coefficient of these items were less than 0.6 and by excluding them, the KMO has been improved to be more than 0.5, the Bartlett's test is becoming significant and the AVE% has been adjusted to be greater than 50%. In addition, the reliability coefficients of Cronbach's alpha have been enhanced to exceed 0.7.

Table (1): Convergent Validity and Reliability Analysis

Construct	Items	Convergent Validity				Reliability Analysis	
		Loading Factor	Kaiser-Meyer-Olkin Measure of Sampling Adequacy	Bartlett's Test of Sphericity Chi-Square	AVE% Extraction Sums of Squared Loadings	Cronbach's Alpha	
Social media usage	Q_1	0.788	0.852	926.874 (0.000)	51.399	0.839	
	Q_2	0.698					
	Q_3	0.823					
	Q_4	0.658					
	Q_5	0.751					
	Q_6	0.604					
	Q_7	0.689					
Innovation	product Innovation	Q_8	0.625	411.464 (0.000)	55.891	0.734	
		Q_9					0.739
		Q_10					0.799
		Q_11					0.805
	process Innovation	Q_12	0.5	153.363 (0.000)	78.737	0.73	
		Q_13					0.887
		Q_14					0.39
		Q_15					0.384
	marketing Innovation	Q_16	0.814	1204.573 (0.000)	55.064	0.862	
		Q_17					0.798
		Q_18					0.707
		Q_19					0.597
		Q_20					0.66
		Q_21					0.736
		Q_22					0.747
Q_23	0.759						
organizational Innovation	Q_24	0.731	667.192 (0.000)	55.187	0.781		
	Q_25					0.626	
	Q_26					0.627	
	Q_27					0.733	
	Q_28					0.861	
Marketing Performance	Q_29	0.855	1762.996 (0.000)	69.814	0.912		
	Q_30					0.834	
	Q_31					0.811	
	Q_32					0.922	
	Q_33					0.881	
	Q_34					0.855	
	Q_35					0.836	
	Q_36					0.585	
	Q_37					0.533	

4.3 Discriminant Validity

To assess the discriminant validity of research variables, the square root of AVE for each variable was compared with its correlation with other variables (Sharma & Patterson, 1999). As shown in table (2), comparisons were done among square root of AVE (internal correlations) for each variable and its correlation coefficients with other variables. Based on the comparisons, significant correlations exist between research variables, but all these correlations are lower than the square root of AVE. For example, social media usage and marketing innovation are correlated ($r = 0.643$), but the square roots of AVE of both variables are 0.717 and 0.742, respectively. This means that respondents can discriminate between both variables while they are correlated. By examining this matrix, it has been found that respondents can discriminate between all research variables.

Table (2): Correlations & Internal Correlations

	AVE	Social media usage	Marketing Performance	product Innovation	process Innovation	marketing Innovation	organizational Innovation
Social media usage	51.399	0.717					
Marketing Performance	69.814	0.105	0.836				
product Innovation	55.891	0.348	0.265	0.748			
process Innovation	78.737	0.508	0.014	0.311	0.887		
marketing Innovation	55.064	0.643	0.314	0.580	0.476	0.742	
organizational Innovation	55.187	0.521	0.150	0.382	0.409	0.641	0.743

Note: the shaded cells contain the square root of AVE (internal correlations)

4.4 Model Fit Indices

In order to analyze the hypothesized relationships via the SEM. The model fit indices should be checked. As shown in table (3) all values indicate an acceptable level of the good fit of the model based on Hair et al., (2010), for example the minimum discrepancy per degree of freedom (CMIN/DF), root mean square residual (RMR), comparative fit index (CFI), and root mean square error of approximation (RMSEA) are 3.74, 0.08, 0.931 and 0.071 respectively.

Table (3): Model Fit Indices

	CMIN/DF	RMR	CFI	RMSEA
SEM Model	3.74	.08	.931	.071
The best result according to Hair et al., (2010)	3-5 (acceptable level)	Less than 10%	Range from 0 to 1 (closer to 1 is better)	Less than 0.08 is acceptable and Less than 0.05 is good

4.5 Testing the Research Hypotheses

The AMOS output for the model parameter estimates is reflected in table (4). Based on Hair et al. (2010), any number of p-value less than 0.05 is significant in the model.

Table (4): Direct Effects

Number Of Hypotheses	Direct Effects	Regression Weights Estimate	t	P_Value	Standardized Regression Weights Estimate	Results
H1	product Innovation <--- Social media usage	0.309	7.27	***	0.348	Positive significant effect
H2	process Innovation <--- Social media usage	0.587	11.547	***	0.508	Positive significant effect

Number Of Hypotheses	Direct Effects	Regression Weights Estimate	t	P_Value	Standardized Regression Weights Estimate	Results
H3	marketing Innovation <--- Social media usage	0.589	16.462	***	0.643	Positive significant effect
H4	organizational Innovation <--- Social media usage	0.534	11.952	***	0.521	Positive significant effect
H5	Marketing Performance <--- product Innovation	0.173	2.223	0.026	0.129	Positive significant effect
H6	Marketing Performance <--- process Innovation	-0.153	-2.626	0.009	-0.149	Negative significant effect
H7	Marketing Performance <--- marketing Innovation	0.523	5.145	***	0.403	Positive significant effect
H8	Marketing Performance <--- organizational Innovation	-0.052	-0.712	0.476	-0.045	Insignificant effect
	Marketing Performance <--- Social media usage	-0.119	-1.527	0.127	-0.1	Insignificant effect

*** p_value <0.001

The statistics show that all the path coefficient results seemed to be significant at 5% significance level, which means that all research hypotheses were supported with p_values less than 0.05 except for the research hypothesis number 8 (insignificant impact) (as showed in table 4). For the first hypothesis, it has been shown that social media usage has a significant positive direct impact on product innovation with a standardized estimate of 0.348. This means that by using social media, organizations can discover and exploit new ideas from user-generated information, which will lead to favorable product innovation. For the second hypothesis, it has been shown that social media usage has a significant positive direct impact on process innovation with a standardized estimate of 0.508. This means that when organizations depend on the information generated by users on social media, this will assist them to do business in an innovative manner. For the third hypothesis, it has been found that social media usage has the greatest significant positive direct impact on marketing innovation with a standardized estimate of 0.643. This means that when organizations value the information and content generated by users, this will inspire them to take corrective actions in changing the promotion tools or the place or modifying the pricing strategy if necessary. For the fourth hypothesis, it has been found that social media usage has a significant positive direct impact on organizational innovation with a standardized estimate of 0.521. This means that when organizations use social media to gain more insights from the shared information, this will help them to gain new ideas regarding new ways of dealing with external relations, adding new rules or make new decisions. For the fifth hypothesis, it has been indicated that product innovation has a significant positive direct impact on marketing performance with a standardized estimate of 0.129. This means that new services or new customized offerings will positively support the organization's marketing performance such as enlarging their market share. For the sixth hypothesis, it has been found that the process has a significant negative impact on marketing performance with a standardized estimate of -0.149. This means that innovation related to production methods, tasks, activities will lead to negative marketing performance. This is may be due to employees' resistance to change for example resisting to learn how to work with new equipment or to deal with new software. For the seventh hypothesis, it has been found that marketing innovation has a significant positive impact on marketing performance with a standardized estimate of 0.403. This means that new and innovate changes in the marketing mix elements to create superior value, will generate high marketing performance. Whereas, for the eighth hypothesis, it has been found that organizational innovation has no significant impact on the marketing performance. This means that new rules or regulations in the workplace does not have a significant positive direct impact on the organization's marketing performance. This is may be because its impact is not noticeable like the other types of innovation or there is a lack of coordination among the different types of innovation. Finally, it has been found that there is no direct impact of social media usage on

marketing performance, which highlights the crucial role of innovation.

4.6 Indirect Effects

This section examines the indirect effect of social media and marketing performance. As presented in table (5), there is indirect effect of social media usage on marketing performance.

Table (5): Indirect Effects

Indirect Effects	Estimate	Standardized Estimate	*p_value	Result
Marketing Performance <--- Social media usage	0.244	0.205	0.012	Positive significant Indirect effect

*Bias-corrected percentile method

As shown in table (5), there is indirect effect of social media usage on marketing performance with standardized estimate of 0.205 and p_value less than 0.05.

4.7 The Mediation Role

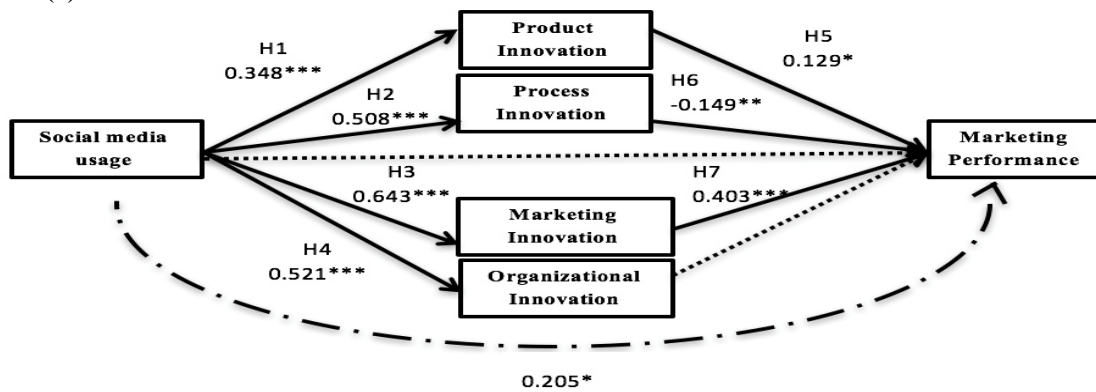
This part presents the mediation role of the four innovation types between social media usage and marketing performance as presented in table (6)

Table (6): The Mediation Role

The mediation of:	the Necessary conditions (significant Direct effect)	the Sufficient condition (significant Indirect effect)	Results
product Innovation	✓	✓	Fully mediate the relation
process Innovation	✓	✓	
marketing Innovation	✓	✓	
organizational Innovation	☒	✓	No mediation

Table (6) identifies the role of the innovation types namely product, process, marketing and organizational innovation as mediators between social media usage and marketing performance. As shown in the table, the necessary and sufficient conditions are achieved in the relationship between them except for the organizational innovation. This means that product, process and marketing innovation plays fully mediation role however the organizational innovation does not play the mediation role between social media usage and marketing performance because the necessary conditions are not met.

Figure (2): The Final Research Model



Significant Direct Effects ————
 Insignificant Direct Effects
 Significant Indirect Effect - . - .

*** p_value < 0.001, ** p_value < 0.01, *p_value < 0.05

5. Discussion and Conclusion

An endless topic of interest for both manufacturing and service firms and researchers in the organizational field is innovation. All industries across the entire service sector are recognizing the critical role of innovation in improving their performances at general. Therefore, they seek to adopt the suitable tools which will allow them to speed up their firms' innovation levels and improve their marketing performance. Previous studies have indicated that social media usage pave the path to adopting innovation. This subsequently may have an impact on service firm's marketing performance. For such reason, this research fills-in the gap in literature between social media usage and firm's marketing performance via the different four types of innovation (Product, process, marketing and organizational) from the service firms' top management point of views. Unlike, past studies which captured and measured innovation as a uni-dimensional scale, this study contributed towards better understanding of the social media usage effect on innovation and the relative importance played by each of the innovation types in enhancing the service firm's marketing performance. Significant findings have been attained in this study. Social media usage with its two subsequent components knowledge exploration and exploitation has positive and direct impact on all of the innovation types with the greatest effect on the service firm's marketing innovation, followed by organizational, process and product innovation successively. This indicates that social media marketing information must be appreciated and sought by service providers and marketers such as the user-generated content which should be analyzed and nurtured by service firms to achieve an adapted marketing mix and take corrective actions such in deciding the most appropriate social media platforms to communicate with customers. Also, marketers can detect from the social media generated-user information and reviews the most creative approaches to improving their process innovation, adapting rules and decisions to develop customers' relationships and create the new ideas which will enable them to attain favorable features of product innovation.

In this study, the four types of innovation affected the service firms' marketing performance differently. The highest impact was that of the marketing innovation type on marketing performance which was significant and positive followed by product innovation. This indicates that marketing managers should introduce innovative modifications to the marketing mix and adopt marketing strategies and tactics to increase the market share, for example offering new innovative service ideas and retaining the loyal customer by providing new customized services. Unlike, past studies process innovation has a significant and negative effect on marketing performance. This may imply that innovation in the firms' production, tasks and activities levels may not be enforcing the same orientation of improving the marketing performance or is placed at a distant paradigm of implementation than the one executed in marketing and product innovations. This also, could be attributed to top management employees' resistance to change such as resisting the acquisition and development of specific technical skills to adapt with the changing market conditions. Findings indicated that organizational innovation effect on service firms' marketing performance is insignificant. This means that new rules in the service firm's do not have an impact on the organization's marketing performance, this may be due to lack of integration or coordination between the different adopted innovation types or may express that management concern for organizational innovation is set at a strategic level which is not integrated with the other functional or tactical levels. However, previous studies indicated that social media usage may generally affect the firm's performance, this study found that there is no direct impact of social media usage on marketing performance. This highlights the importance of the innovation types to make use of the social media's knowledge exploration and exploitation to enable service firms improve their marketing performance particularly marketing, product and process innovation due to their mediator role between SM usage and firm's marketing performance.

6. Limitations and Future Directions

This study focused on examining the impact of SM usage on the four types of innovation (product, process, marketing and organizational) separately from the top management level. Therefore, it would be useful if further studies would examine the interrelationships among the innovation types and their impact on marketing performance of service firms and consider a comparative evaluation between the management levels in fostering the different innovation types. Additionally, this study used a convenience sampling technique due to the unavailability of the sampling frame. Future studies may use probability sampling approaches to generalize over the total population. Finally, this study was focused on the firm's marketing performance in the private service sector, other studies may include the effect of SM usage on other types of firm's performance to provide more insights and focus on specific industries in the service sector.

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