

Building Strategic Social Media Capabilities in SMEs: Barriers, Opportunities, and Resource Constraints

Lars Funck Kristensen, Karina Burgdorff Jensen, Birgitte Kjølner Hansen and Frank Eskelund Christensen

UCN Technology & Business, Aalborg, Denmark

lafu@ucn.dk

kbye@ucn.dk

bip@ucn.dk

fec@ucn.dk

Abstract: Despite widespread adoption of social media among small and medium-sized enterprises (SMEs), its strategic impact remains uneven. Although many SMEs engage actively with social media platforms, their efforts frequently remain operational and person-dependent, rather than embedded in organizational routines that support learning, coordination, and strategic decision-making over time. Existing research has largely emphasized social media adoption and performance outcomes, or has focused on large firms with formalized structures, offering limited insight into how strategic social media capabilities develop in resource-constrained SME contexts. This conceptual paper examines how SMEs build strategic social media capabilities over time by adopting a capability-based perspective grounded in the Resource-Based View and the Dynamic Capabilities framework. Drawing on a structured review of the literature on social media, SMEs, and digital capabilities, the paper conceptualizes strategic social media use as a meso-level dynamic capability comprising sensing, seizing, and reconfiguring processes that evolve through cumulative learning and organizational adaptation. The analysis identifies key organizational, managerial, technological, and contextual barriers that shape the pace and direction of capability development, alongside SME-specific opportunities such as agility, customer proximity, and authentic communication that may accelerate learning and strategic integration. The main contribution of the paper is an integrated conceptual framework that explains how barriers and opportunities interact over time to influence the development of strategic social media capabilities in SMEs. Rather than treating constraints as external obstacles, the framework demonstrates how resource scarcity actively shapes organizational learning, coordination, and capability formation. The paper contributes to the literature on digital strategy and SME marketing by offering a process-oriented explanation of why SMEs differ in their ability to move from ad hoc social media activities toward more deliberate and strategically grounded practices, and by providing a foundation for future empirical research on capability development in resource-constrained organizational contexts.

Keywords: Strategic Social Media Use, Small and Medium-Sized Enterprises (Smes). Dynamic Capabilities, Digital Marketing Capabilities, Resource Constraints, B2B Marketing and Sales Integration

1. Introduction

Despite widespread adoption of social media among SMEs, strategic outcomes remain uneven. This gap reflects not a lack of access to digital platforms, but difficulties in transforming ongoing social media activities into coordinated organizational capabilities under conditions of resource scarcity. In particular, SMEs face the challenge of balancing dynamic, opportunity-driven processes with the need for sufficient structure to support organizational learning, coordination, and strategic decision-making over time. A range of studies has explored the benefits of social media adoption and use for marketing performance, customer engagement, and market insight (Cao and Weerawardena, 2023). However, most empirical and conceptual studies remain focused on large firms (Ulderico Re et al., 2023). Large organizations typically possess formalized processes, dedicated digital teams, and integrated technological infrastructures, making them more accessible for systematic study (Cartwright et al., 2021; Meier and Peters, 2023). Consequently, comparatively little is known about how SMEs develop and embed strategic social media capabilities, particularly under conditions of structural and resource constraint.

SMEs differ fundamentally from large firms in their size, hierarchical composition, resource endowments, and learning patterns. Their limited financial, technological, and human resources reduce their ability to invest in digital tools, formalize routines, or experiment systematically (Rabah et al., 2025; Setini et al., 2025). SMEs deal with significant constraints such as a lack of competencies, specifically digital literacy at the managerial level (Zahoor et al., 2023), and a lack of ambidexterity in balancing exploration and exploitation (Ngammoh et al., 2023). Furthermore, individual-level dependency rather than organizational anchoring often characterizes their digital efforts (Stathopoulou et al., 2024). These patterns suggest that the core challenge for SMEs is not the adoption or frequency of social media use, but the ability to transform dispersed activities into stable, organizational-level capabilities. The challenges are not primarily about whether SMEs adopt social media, but

how they develop the underlying routines, skills and learning mechanisms needed to use it strategically (Budayanti et al., 2026). Existing studies tend to emphasize adoption and performance outcomes but offer limited theoretical explanation of capability formation processes, particularly under resource constraints. This gap is notable. Understanding how SMEs develop social media in such contexts is both theoretically and practically significant.

Against this backdrop, the strategic challenge for SMEs is not merely whether to adopt social media, but how to deliberately build and sustain social media capabilities under conditions of persistent resource scarcity. Rather than viewing social media as a set of isolated marketing activities, a capability-based perspective emphasizes the organizational routines, managerial skills, and learning processes that enable firms to integrate social media into broader strategic decision-making. However, existing research provides limited conceptual clarity on how social media capabilities emerge, evolve and stabilize over time in SMEs, how they are shaped by contextual constraints, and how managers navigate the tension between short-term operational demands and longer-term capability development. To address this gap, this conceptual paper examines how SMEs can build, combine, and reconfigure social media capabilities and explores the key barriers and opportunities that characterize SMEs' strategic use of social media. By synthesizing insights from the social media, SME, and capability literature, the paper develops an integrative framework that clarifies how strategic social media capability can be understood and operationalized in resource-constrained organizational contexts. This literature review offers valuable insights and a foundation for future research in the field of digital strategy.

2. Literature Review

2.1 Social Media Beyond Adoption

Social media has become a central element of firms' marketing and relationship-building activities, yet its strategic impact remains uneven. While prior research consistently links social media use to improved customer interaction, visibility, and market sensing, empirical findings vary widely across contexts and industries. This variation suggests that social media does not automatically function as a strategic asset simply through adoption (Cao and Weerawardena, 2023; Tajvidi and Karami, 2021). From both marketing and information systems (IS) perspectives, this insight has prompted a gradual shift away from focusing on explaining adoption, toward a more process-oriented and capability-based view of digital value creation.

Within the IS literature, similar patterns have been observed across different technologies. Research on IT business value has demonstrated that performance effects depend less on technology adoption than on how technologies are embedded in organizational routines, governance structures and learning processes (Melville et al, 2004; Bharadwaj et al 2013). Technologies such as social media constitute enabling infrastructures rather than strategic resources in themselves. Their strategic relevance emerges only when firms develop the organizational capabilities required to integrate, interpret, and act upon digital information over time. This logic aligns with more recent IS research on digital capabilities and digital transformation, which emphasizes continuous adaptation, coordination and reconfiguration rather than discrete implementation decisions (Vial 2019; Skare et al 2023; Gonçalves et al., 2024).

2.2 Strategic Social Media Use and Capability Development

Recent marketing and B2B research increasingly reflect this capability-based logic. Rather than treating social media as a standalone communication tool, scholars argue that its strategic potential depends on the firm's ability to embed social media activities within broader organizational processes, including marketing planning, sales coordination, and organizational learning (Cartwright et al., 2021). From this perspective, mixed performance effects are less a function of the technology itself and more a reflection of firms differing abilities to establish routines, feedback mechanisms and cross-functional integration around social media use (Laradi et al., 2024; Ngammoh et al., 2023).

This distinction is particularly relevant for SMEs. While social media is attractive due to its low cost and accessibility, SMEs face recurring challenges related to limited time, budgets, digital skills, and weak planning and measurement practices (Maduku, 2024; Meier and Peters, 2023). As a result, social media activities often remain weakly formalized, highly person-dependent, and loosely connected to strategic decision-making. IS research on SMEs digitalization similarly highlights that limited structures and measurement practices constrain firms' ability to transform digital activity into cumulative organizational learning (Meier and Peters 2023; Hermann et al 2024).

2.3 Environmental Dynamism, Learning and Resilience

The social media landscape changes rapidly, from frequent algorithm updates to features added or removed to new platforms being introduced companies and especially SMEs can have a hard time keeping up with customers' needs and changing consumption patterns (Rouziou et al., 2025). Rapid shifts call for agility and resilience in companies ((Sagala and Óri, 2025). Sagala and Óri found that some of the critical values SMEs need include dynamic capabilities, digital capabilities, leadership orientation, leaning and knowledge management. They also point out that SMEs who can absorb shocks and turn them into opportunities can become antifragile and resilient. (Sagala and Óri, 2025) Some of the barriers SMEs face with regards to formulating and executing a strategic approach to this market are little attention to formalizing process and weak performance measurement culture as well as limited resources available for management and marketing etc. (Rouziou et al., 2025)

2.4 From Operational Use to Strategic Capability

In summary, insights from marketing and IS research point to a fundamental distinction between operational and strategic social media use. Operational use refers to ad hoc posting, campaign-driven activities, and basic platform maintenance with limited alignment to business objectives and little organizational anchoring, Strategic social media use, in contrast, implies the development of organizational capabilities that support deliberate sensing, coordinated actions and ongoing reconfiguration across marketing and sales functions (Cartwright et al., 2021). The key question is not whether SMEs engage in social media, but how social media-related activities evolve into stable and adaptable organizational capabilities under conditions of resource scarcity and environmental change. Addressing this question requires a theoretical lens that integrates insights from marketing, digital strategy, and IS research to explain how learning, coordination and capability development unfold over time in resource-constrained organizational contexts.

3. Theoretical Foundations

3.1 A Capability-Based Perspective on Strategic Social Media Use

Understanding why firms differ in their ability to create strategic value from similar digital technologies has been a central question in both marketing and information systems research for a long time. Across literature, there is a consensus that technology does not generate competitive advantage in itself. Rather, value emerges through the ways technologies are organized, integrated and enacted within organizational processes over time. This paper adopts a capability-based perspective to explain how strategic social media use develops in SMEs under conditions of persistent resource scarcity.

3.2 Resourced Based View and Digital Resources

The Resource-Based View (RBV) explains performance differences by emphasizing firm-specific resources and capabilities rather than industry structure or access to technologies (Barney, 1991). From an RBV perspective, digital technologies such as social media platforms constitute generic and widely available resources. Therefore, their strategic value depends on how firms combine these technologies with complementary resources such as managerial attention digital skills, data practices and organizational routines (Tajvidi and Karami, 2021).

IS research on IT business value reinforces this view by demonstrating that technology adoption alone is insufficient to explain performance outcomes. Instead, value arises when digital resources are embedded in organizational processes that support coordination, learning, and decision-making (Melville et al 2004; Bharadwaj et al 2013). In the context of SMEs however, such embedding is often constrained by limited formal structures, weak measurement practices, and person-dependent routines.(Parra-Sánchez and Talero-Sarmiento, 2024) While RBV highlights why resource configurations matter, it offers limited insight to how such configurations emerge, adapt and stabilize over time, particularly in dynamic digital environments.

3.3 Dynamic Capabilities and Capability Development Over Time

To address this limitation, the RBV is complemented by the Dynamic Capabilities Perspective, which focuses explicitly on how firms sense opportunities, seize them through coordinated actions, and reconfigure resources in response to environmental change (Teece et al., 1997; Teece, 2007). Dynamic capabilities emphasize learning, adaptation, and reconfiguration as ongoing processes rather than discrete strategic decisions. This temporal and

process-oriented logic is particularly relevant in digital contexts characterized by rapid technological change, evolving user practices, and continuous data flows. (Sagala and Őri, 2025)

Within IS and digital strategy research, dynamic capabilities have been widely used to explain how organizations adapt to digital disruption and develop digital capabilities over time (Vial, 2019; Skare et al., 2023). These studies highlight that capability development is cumulative and path-dependent, shaped by prior experiences, managerial cognition, and organizational routines. For SMEs, dynamic capabilities are especially salient because limited resources constrain formal planning while simultaneously increasing reliance on learning-by-doing, experimentation, and incremental adjustment.

4. Barriers and Opportunities for Strategic Social Media Capability Development in SMEs

The literature consistently shows that SMEs face substantial barriers when attempting to move from operational social media activity to strategically embedded use. However, these barriers are often presented as external constraints or missing inputs. This paper takes a different stance by treating barriers and opportunities as mechanisms that shape the pace, direction, and form of strategic social media capability development over time. In resource-constrained SMEs, the central issue is rarely whether social media is used, but whether repeated activity is translated into routines, shared knowledge, and coordinated action that can be sustained beyond individuals (Meier and Peters, 2023; Maduku, 2024). From an information systems perspective, this distinction is critical because digital technologies do not generate strategic value through adoption alone. Instead, value emerges when digital activities become embedded in organisational processes and supported by governance, measurement, and learning routines (Melville et al., 2004; Bharadwaj et al., 2013; Vial, 2019). In SMEs, these enabling conditions are uneven, which helps explain why similar levels of social media activity can lead to very different strategic outcomes (Meier and Peters, 2023; Hermann et al., 2024).

We structure the mechanisms that shape capability development into four interrelated categories. These categories are not independent. They frequently reinforce one another and can create path dependencies that either stabilize capability development or keep firms locked in ad hoc use over time (Helfat and Peteraf, 2009; Teece, 2018).

4.1 Organisational and Managerial Mechanisms

A recurring mechanism concerns the degree of organizational anchoring. In many SMEs, social media work remains person-dependent, often tied to a single owner-manager or an employee with informal responsibility. This limits the accumulation of shared routines and makes learning fragile because insights are not systematically transferred or stored (Stathopoulou et al., 2024; Meier and Peters, 2023). When attention shifts or staff changes occur, practices tend to reset rather than develop cumulatively.

Managerial digital literacy and leadership orientation further shape capability development. Where leadership frames social media as a strategic activity, firms are more likely to invest in basic structures such as role clarity, planning rhythms, and feedback routines. Where leadership frames it as an operational marketing task, social media use remains reactive and campaign-driven, with limited integration into strategic decision-making (Zahoor et al., 2023; Ngammoh et al., 2023).

Finally, capability development is shaped by SMEs' need to balance short-term operational demands with longer-term learning processes. Under persistent resource constraints, SMEs rationally prioritize immediate customer needs and urgent tasks. Over time, however, this reduces opportunities for reflection, experimentation, and improvement, thereby inhibiting the stabilisation of organisational routines (Maduku, 2024; Rouziou et al., 2025).

4.2 Resource and Competence Mechanisms

Resource scarcity influences not only the volume of social media activity but also how learning occurs. Limited time and specialist competence often push SMEs toward improvisation rather than systematic experimentation. While improvisation can support flexibility and responsiveness, it frequently results in fragmented practices and weak documentation, limiting cumulative learning and capability formation (Helfat and Peteraf, 2009; Cao and Weerawardena, 2023). Competence constraints are particularly visible in analytics and performance measurements. Although many SMEs can generate content and engaging customers, they often lack the analytical skills and routines needed to interpret performance signals and translate them into strategic action.

This constrains sensing and seizing processes because market signals remain either underutilised or inconsistently interpreted (Rakshit et al., 2022; Tian et al., 2024).

4.3 Technological and Data-Related Mechanisms

A third set of mechanisms concerns how social media activities are supported by data practices and technological infrastructure. Even when SMEs use social media actively, they frequently lack simple routines for collecting, storing, and discussing insights across organizational functions. Data remains dispersed across platforms and personal accounts, limiting absorptive capacity and organizational learning (Meier and Peters, 2023; Tian et al., 2024). Tool fragmentation further constrains capability development. SMEs often rely on disconnected systems for marketing, sales, and customer management, which prevents social media insights from being integrated into broader decision-making processes. As a result, learning remains local and episodic rather than cumulative and cross-functional (Hermann et al., 2024; Skare et al., 2023).

4.4 Contextual and Environmental Mechanisms

The social media environment is characterized by rapid change, including frequent algorithm updates, evolving platform features, shifting user practices, and emerging competitors. For SMEs, this volatility increases the demands on sensing and adaptation while simultaneously making it more difficult to stabilize routines and accumulate experience (Rouziou et al., 2025). From an IS perspective, such conditions underscore the importance of dynamic capabilities and continuous learning as foundations for sustained digital value creation (Teece, 2018; Sagala and Óri, 2025). At the same time, SMEs often operate near customers and markets. This proximity can strengthen sensing by enabling direct and immediate feedback. However, proximity becomes a strategic opportunity only when supported by routines that capture, share, and reflect upon insights. Without such routines, customer proximity increases operational intensity without contributing to strategic learning (Cao and Weerawardena, 2023; Stathopoulou et al., 2024).

5. SME-Specific Opportunities as Accelerators of Learning

Alongside these barriers, the literature highlights several SME-specific opportunities that may accelerate capability development when deliberately organized. Agility and short decision-making paths can support rapid experimentation and adjustment in volatile digital environments (Cao and Weerawardena, 2023; Sagala and Óri, 2025). However, agility contributes to capability development only when experimentation is paired with basic reflection and feedback routines. Customer proximity can further enhance market sensing and relationship development. SMEs often engage in more personal and context-rich interactions, which can support deeper insight into customer needs and preferences. Yet this advantage becomes strategically meaningful only when insights are translated into coordinated action across marketing and sales functions (Cartwright et al., 2021; Bourguignon et al., 2025).

Authenticity and personal presence represent a third opportunity. SMEs are often perceived as credible and trustworthy because their communication is closely tied to owners and employees. Research suggests that such authenticity can generate engagement and trust in digital channels (Stathopoulou et al., 2024). To become an organizational capability, however, authenticity must be supported by shared guidelines and routines that reduce individual dependency while preserving personal expression. Barriers and opportunities should not be treated as separate or static conditions. They interact over time and shape whether repeated social media activity becomes an organizational capability. This interaction explains why a process-oriented perspective is required to understand strategic social media use in SMEs.

6. Dynamic Processes and Minimal Structure in SMEs

A central issue in SME research concerns how firms balance dynamic, opportunity-driven behaviour with the need for structure. SMEs often rely on informal coordination and rapid decision-making, which supports responsiveness but can limit learning and integration if practices remain implicit and person-dependent (Ngammoh et al., 2023; Maduku, 2024). In digital contexts, and particularly in social media, this tension becomes more pronounced. Environmental volatility rewards rapid adaptation, yet strategic outcomes require some stability in routines, ownership, and performance feedback. IS research suggesting that digital value creation depends not on extensive formal systems but on minimal and workable governance structures that support learning over time (Vial, 2019; Hermann et al., 2024). For SMEs, such minimal structures may include clear responsibility for social media activities, shared standards for content and engagement, and simple performance

metrics that enable comparison and reflection. These structures function as learning mechanisms by linking dynamic action to cumulative knowledge and cross-functional coordination (Rakshit et al., 2022; Tian et al., 2024). The critical tipping point is not access to technology, but whether dynamic activity is connected to organizational routines that reduce individual dependency and enable capability development under persistent resource constraints.

7. Prior Research on Social Media Capabilities in SMEs

Research on strategic social media use in SMEs increasingly converges around the concept of social media capabilities. This stream shifts attention away from platforms and content tactics and toward the organizational ability to use social media for learning, coordination, and relationship development (Cao and Weerawardena, 2023; Tian et al., 2024).

Across studies, three themes are particularly salient. First, social media can strengthen market sensing when firms systematically monitor and interpret stakeholder signals (Cao and Weerawardena, 2023). Second, social media supports customer linking and relationship development, but strategic outcomes depend on whether engagement is integrated into broader marketing and sales processes rather than treated as isolated communication (Cartwright et al., 2021; Bourguignon et al., 2025). Third, capability development depends on absorptive capacity, as social media generates large volumes of fragmented information that must be filtered, interpreted, and translated into action (Tian et al., 2024; Rakshit et al., 2022).

Despite these insights, the literature offers limited conceptual clarity on how social media capabilities develop over time in SMEs under resource constraints, and on how barriers and opportunities interact to shape this process. Addressing this gap provides the basis for the conceptual development that follows.

8. Conceptual Development

8.1 Positioning Strategic Social Media as an Evolving Organisational Capability

Based on the literature, we distinguish between operational social media activity and strategic social media capability. Operational activity includes ad hoc posting, campaign-based efforts, and routine platform maintenance. Such activity can be frequent and visible but remains weakly aligned with business objectives, weakly measured, and highly person-dependent (Maduku, 2024; Meier and Peters, 2023). Strategic social media capability refers to an organisation's evolving ability to sense market and stakeholder signals, seize opportunities through coordinated action, and reconfigure routines and roles to embed social media across marketing and sales over time (Teece, 2007; Cao and Weerawardena, 2023). This definition emphasises learning, organisational embedding, and temporal development rather than activity levels or platform presence.

We define strategic social media capability in SMEs as:

The collectively embedded and evolving ability to sense, seize, and reconfigure market and stakeholder relationships through social media over time, enabled by digital skills, organisational routines, measurement practices, and cross-functional integration.

This definition aligns with IS research on digital capability development and reflects the SME context by explicitly acknowledging persistent resource constraints (Vial, 2019; Hermann et al., 2024).

9. Integrated Conceptual Framework

The integrated conceptual framework presented in this paper explains how strategic social media capability develops in SMEs over time under conditions of persistent resource scarcity. Rather than conceptualising social media use as a static organisational attribute or a set of isolated marketing activities, the framework positions strategic social media capability as a dynamic and cumulative process shaped by the interaction between organisational barriers, SME-specific opportunities, and ongoing learning mechanisms (Figure 1)

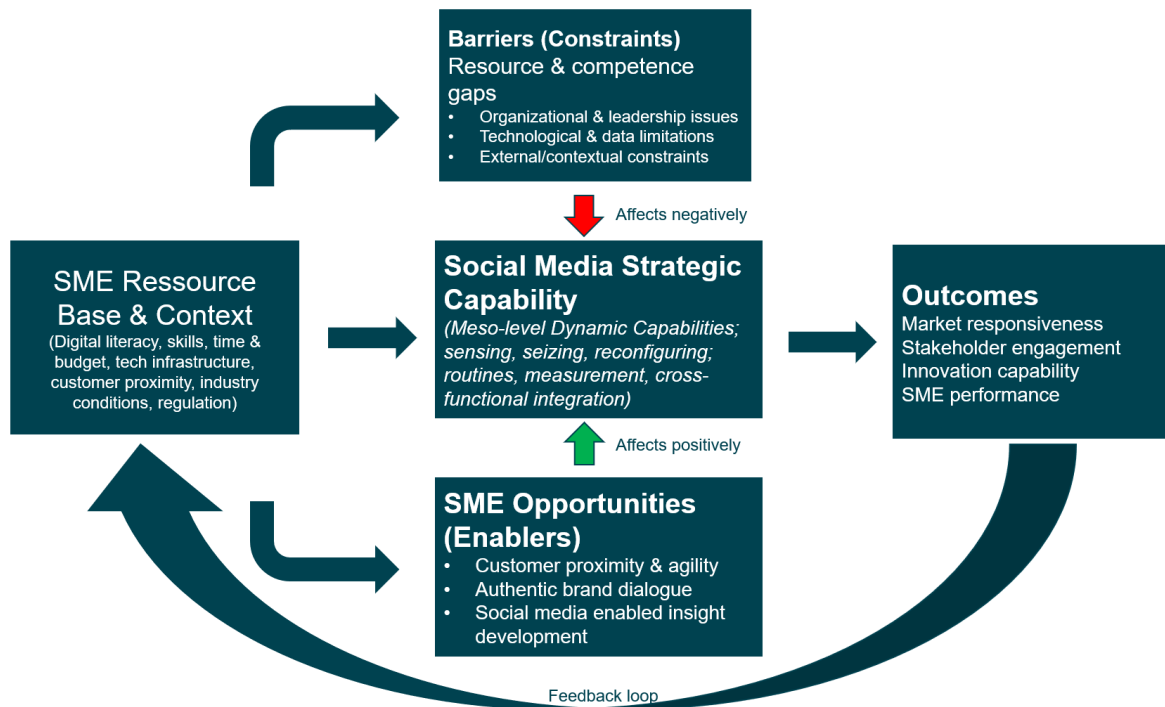


Figure 1

Drawing on the Resource-Based View and the Dynamic Capabilities perspective as sensitizing lenses, the framework conceptualizes strategic social media capability as a meso-level dynamic capability comprising three interrelated processes: sensing, seizing, and reconfiguring. These processes do not unfold in a linear sequence. Instead, they evolve iteratively as firms engage with social media, interpret market and stakeholder signals, act upon emerging opportunities, and adjust organizational routines over time.

Sensing refers to the organization's ability to identify and interpret signals from customers, markets, and other stakeholders through social media. In SMEs, sensing is often supported by close customer proximity and frequent interaction but constrained by limited analytical resources and weak measurement routines. As a result, sensing may be intuitive and experience-based rather than systematic. The framework highlights that sensing becomes strategically meaningful only when insights are captured, discussed, and shared beyond individuals, allowing learning to accumulate over time.

Seizing captures the organization's ability to translate sensed insights into coordinated strategic actions. In the context of social media, this involves aligning content decisions, engagement practices, and resource allocation with broader marketing and sales objectives. For SMEs, seizing is frequently constrained by limited time, competing operational priorities, and fragmented decision-making. The framework emphasizes that seizing depends on minimal organizational structures such as role clarity, shared priorities, and simple planning rhythms that enable coordination without imposing excessive formalization.

Reconfiguring refers to the gradual adaptation of organizational routines, roles, and processes that embed social media across functional boundaries. Rather than representing radical transformation, reconfiguring in SMEs often occurs incrementally through small adjustments in responsibilities, workflows, and information flows. The framework highlights that reconfiguring is essential for reducing person dependency and for stabilizing learning, allowing social media-related knowledge to persist beyond individual actors.

A central feature of the framework is its treatment of barriers and opportunities as shaping mechanisms rather than external conditions. Resource constraints limited digital skills, and weak data practices do not merely limit strategic action; they influence how sensing, seizing, and reconfiguring unfold and interact. At the same time, SME-specific opportunities such as agility, customer proximity, and authenticity may accelerate learning and adaptation, but only when translated into shared routines and organizational practices.

By integrating these elements, the framework explains why SMEs with similar levels of social media activity may experience markedly different strategic outcomes. Strategic social media capability emerges not from technology adoption alone, but from the cumulative organization of learning, coordination, and adaptation over

time. The framework provides a process-oriented explanation of how SMEs move from ad hoc social media use toward more deliberate and strategically grounded practices under conditions of persistent constraint.

10. Practical Implications for SME Managers

For many SME leaders, social media remains an ad hoc activity, positioned somewhere between daily operations, customer interactions, and short-term problem solving. This makes it difficult to achieve consistent and strategically meaningful outcomes. A simple diagnostic approach can help managers assess their current practices and prioritise the most relevant next steps. This involves evaluating social media efforts across three areas: competencies, organisational structures, and measurement practices.

Moving from ad hoc to strategic use does not require extensive planning, but the establishment of minimal and purposeful structures. Clear ownership, defined priorities, and a basic rhythm for content creation and follow-up reduce individual dependency and increase strategic alignment with business objectives. Capability development should then focus on small, targeted initiatives such as brief training sessions, simple guidelines, and shared terminology. Measurement plays a central role in this process. Although many SMEs struggle with analytics, even basic metrics provide critical feedback on what works, supporting learning, coordination, and decision making over time.

Under resource constraints, managerial prioritisation becomes essential. Focusing on learning-oriented activities, such as assigning internal responsibility, establishing regular reporting, and allocating dedicated time, can generate disproportionate strategic impact. The greatest gains emerge when social media is explicitly connected to business objectives and leveraged through SME-specific strengths, including customer proximity, authenticity, and agility. When applied deliberately, these characteristics allow SMEs to build sustainable strategic capabilities that may outperform those of larger, more formalised organisations.

11. Theoretical Contributions

This paper makes several theoretical contributions to the literature on digital strategy, social media, and small and medium-sized enterprises (SMEs).

First, the paper contributes to research on strategic social media use by shifting the analytical focus from adoption and activity levels to capability development over time. While prior studies have extensively examined whether and how firms use social media, and how such use relates to performance outcomes, they have offered limited explanation of how strategic social media capabilities emerge, stabilize, and evolve in resource-constrained organizational contexts. By conceptualizing strategic social media use as an evolving organizational capability rather than a static attribute or discrete marketing practice, the paper advances a more process-oriented understanding of digital value creation in SMEs. Second, the paper contributes to the integration of the Resource-Based View and the Dynamic Capabilities perspective in the context of social media and SME's. Although the combination of these perspectives is well established, their application has often remained abstract or outcome-oriented.

This study uses RBV and Dynamic Capabilities as sensitizing lenses to explain how generic digital technologies such as social media acquire strategic relevance through organizational embedding, learning, and coordination over time. In doing so, the paper clarifies how sensing, seizing, and reconfiguring processes unfold under conditions of persistent resource scarcity, thereby extending dynamic capability research into a context characterized by limited formal structures and high individual dependency. Third, the paper contributes to the information systems and digital strategy literature by foregrounding the role of organizational mechanisms that shape capability development beyond technology adoption. Consistent with IS research on IT business value and digital transformation, the findings demonstrate that social media platforms function as enabling infrastructures rather than strategic resources in themselves.

The paper advances this literature by explicating how barriers such as limited measurement practices, fragmented data flows, and weak governance structures actively shape learning trajectories and coordination processes in SMEs. By treating resource constraints as shaping conditions rather than external obstacles, the paper offers a more nuanced explanation of why similar levels of digital activity may lead to divergent strategic outcomes. Fourth, the paper contributes to SME research by theorizing how SME-specific characteristics simultaneously constrain and enable strategic capability development. Prior work often treats resource scarcity, informality, and person dependency primarily as disadvantages. This paper shows how these characteristics interact with opportunities such as agility, customer proximity, and authenticity to influence the pace and

direction of capability development. The framework moves beyond deficit-based accounts of SMEs and provides a more balanced explanation of how strategic capabilities can develop through minimal structures, incremental learning, and everyday organizational practices.

Finally, by integrating insights from marketing, information systems, and strategy into a coherent conceptual framework, the paper offers a theoretically grounded explanation of variation in strategic social media outcomes among SMEs. Rather than proposing new constructions, the contribution lies in clarifying relationships and mechanisms that have previously been examined in isolation. This integrative perspective provides a foundation for future empirical research on digital capability development and strategic social media use in resource-constrained organizational settings.

12. Limitations and Future Research

This paper is conceptual, and the proposed model requires empirical validation. While the relationships and mechanisms outlined are grounded in existing literature and theoretical reasoning, their strength and variation cannot be assessed without systematic empirical testing. Future research should combine qualitative, quantitative, and longitudinal approaches. Qualitative studies can provide in-depth insight into the microprocesses through which social media capabilities are enacted in SMEs, particularly regarding managerial digital literacy, employee routines, and everyday decision-making practices. Quantitative studies can test the model's core assumptions, examine performance effects, and identify which barriers and opportunities are most influential. Longitudinal designs are especially important to capture how capabilities evolve over time and how feedback loops strengthen or weaken strategic social media use.

Further research should place particular emphasis on the micro foundations of capability development. Greater attention is needed to the concrete actions, competencies, and organisational patterns that enable the transition from ad hoc social media use to strategic capability. Cross-country and cross-industry studies are also warranted, as digital adoption conditions and social media practices vary significantly across institutional contexts and sectors, with important implications for capability formation and strategic outcomes.

13. Conclusion

Despite widespread adoption of social media among SMEs, strategic outcomes remain uneven. This paper set out to explain why, by shifting attention from social media use and adoption toward the development of strategic social media capabilities over time. Drawing on the Resource-Based View, the Dynamic Capabilities perspective, and insights from information systems research, the paper conceptualized strategic social media use as an evolving organizational capability shaped by learning, coordination, and adaptation under conditions of persistent resource scarcity.

By synthesizing existing literature, the paper developed an integrated conceptual framework that explains how sensing, seizing, and reconfiguring processes are shaped by organizational barriers and SME-specific opportunities. Rather than treating constraints as external obstacles to be overcome, the framework highlights how resource scarcity actively influences organizational learning, coordination, and capability formation. This perspective helps explain why SMEs with similar access to social media platforms and comparable activity levels may experience markedly different strategic outcomes.

Our contribution lies in providing a process-oriented and capability-based explanation of strategic social media use in SMEs. It shows that strategic value does not emerge from technology adoption alone, but from the cumulative organization of routines, skills, and learning mechanisms that embed social media into broader marketing and sales processes. By integrating insights from marketing, information systems, and strategy research, the paper offers a more nuanced understanding of digital capability development in resource-constrained organizational contexts.

The findings underscore that the strategic challenge for SMEs is not whether to use social media, but how to deliberately organize learning and coordination over time. The framework provides a foundation for future empirical research and offers a clearer basis for understanding how SMEs can move beyond ad hoc social media activity toward more deliberate and strategically grounded digital practices.

AI Declaration

AI tools were used to support language editing, structural refinement, and clarity of argumentation. All theoretical content, interpretations, and conclusions remain the responsibility of the authors.

Ethical Declaration

Ethical clearance was not required for the research.

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