

# Leveraging Social Media for Business Growth and Innovation

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## ABSTRACT

The increasing reliance on social media has reshaped how firms pursue growth and innovation, yet research often treats social media capabilities in isolation. This study adopts a mixed methods approach to examine how content engagement, monitoring and analytics, and capability use—individually and collectively—affect organizational outcomes. A quantitative survey of 300 firms tested the hypothesized relationships using structural equation modeling (SEM) and moderation analysis, while a qualitative phase involving semi-structured interviews with 18 managers provided deeper contextual insights. The SEM results revealed that all three capabilities significantly influenced growth and innovation outcomes, with combined capabilities exerting the strongest effects ( $\beta = 0.55$  for growth,  $\beta = 0.60$  for innovation,  $p < .001$ ). Moderation analysis showed that firm size, industry, and governance shaped these relationships, indicating that larger firms and those with stronger governance structures gained greater benefits. The qualitative findings complemented these results, emphasizing the importance of interactive content, analytics-driven ideation, and governance mechanisms as critical enablers of capability effectiveness. Integration of findings demonstrated strong convergence between the two phases, underscoring the robustness of the mixed methods design. This study contributes to capability-based and innovation management theories by highlighting the synergistic value of integrated social media capabilities and the contextual conditions under which they are most effective. Practical implications suggest that managers should adopt a holistic and governance-driven approach to maximize the strategic value of social media for sustainable growth and innovation.

**Keywords:** Firm size, growth, innovation, governance, social media capabilities

## I. INTRODUCTION

The proliferation of social media over the past decade has transformed how firms communicate, innovate, and create value. By early 2024, more than five billion social media identities existed worldwide, making social platforms one of the largest concentrated audiences available to firms for marketing, customer engagement, and new-product discovery (We Are Social, 2024). This ubiquity has not only altered firms' outreach channels but has reshaped strategic priorities: social media is now an arena for brand-building, customer service, market intelligence, and open innovation activities that can drive both short-term growth and longer-term organizational renewal (Appel et al., 2019; Dwivedi et al., 2021).

Conceptually, social media's strategic value lies in two interrelated capabilities. First, as a communications and engagement channel, social platforms enable firms to reach large and segmented audiences with low friction, generate online word-of-mouth, and co-create meaning with consumers (Appel et al., 2019). Second, as an interactive knowledge and collaboration environment, social media functions as an enabler of innovation by exposing firms to user ideas, feedback, and networked problem-solving that can shorten development cycles and reveal new market opportunities (Bhimani et al., 2019; Martini et al., 2019). Together, these functions help explain why social media initiatives have moved from tactical campaigns to core elements of firm strategy across industries.

This paper, titled Leveraging Social Media for Business Growth and Innovation, responds to these needs by (1) synthesizing theoretical

perspectives that explain how social media capabilities create value for both marketing and innovation objectives, (2) proposing an integrated framework that maps configurations of social capabilities to specific business outcomes, and (3) offering empirical propositions and managerial guidelines for implementing and measuring social initiatives in ways that balance near-term growth with innovation potential.

## II. LITERATURE REVIEW

### 2.1 Social media as a strategic business resource

Social media platforms enable two-way interaction, allowing firms to not only broadcast messages but also engage in dialogues, manage communities, and co-create content with users (Appel et al., 2019; Dwivedi et al., 2021). From a resource-based perspective, social media capabilities, such as content creation, interaction management, and analytics, represent intangible assets that can generate sustained competitive advantage (Bhimani et al., 2019).

### 2.2 Social media and business growth

Firms leveraging social media marketing strategies report higher brand awareness, improved customer retention, and enhanced sales conversion rates (Alhaimer, 2021). For SMEs, social platforms

reduce geographic and financial barriers, offering low-cost avenues for global reach (Dwivedi et al., 2021). However, growth outcomes depend on managerial commitment, content quality, and data-driven governance (Martini et al., 2019).

### 2.3 Social media as a driver of innovation

Social platforms support open innovation by enabling crowdsourcing, co-creation, and rapid prototyping (Bhimani et al., 2019; Martini et al., 2019). Innovation outcomes include new product development, service improvements, and process redesign. Yet adoption varies: consumer-facing industries embrace social innovation, while B2B contexts face adoption barriers (Alhaimer, 2021).

### 2.4 Challenges in measuring outcomes

Metrics such as engagement rates and impressions offer partial insights and often lack direct correlation with sales or innovation success (Dwivedi et al., 2021). Laradi et al. (2023) argue for capability-based measures (posting, interaction, monitoring) linked directly to business outcomes. Variability across industries complicates standardization (Bhimani et al., 2019). The summary of literature review is presented in table 1.

Table 1. Literature review summary

Author(s)	Year	Focus	Key Findings	Research Gaps
Appel et al.	2019	Social media marketing	Social platforms enhance customer engagement, brand awareness, and loyalty	Limited integration with innovation outcomes
Bhimani, Mention & Barlatier	2019	Social media and innovation	Social media enables crowdsourcing, co-creation, and rapid prototyping	Few frameworks link social capabilities to growth and innovation simultaneously
Dwivedi et al.	2021	Digital marketing and strategy	Social media metrics impact consumer behavior and organizational performance	Metrics vary widely; contextual factors underexplored
Alhaimer	2021	Social media in SMEs	Platforms reduce geographic/financial barriers, support global reach	Limited applicability to large firms and B2B contexts
Martini et al.	2019	Social media-based innovation	Social monitoring informs product development and process improvement	Adoption varies by industry; integration with marketing limited
Laradi et al.	2023	Marketing capabilities and brand equity	Posting, interaction, and monitoring capabilities enhance brand value	Limited guidance on combining capabilities for dual outcomes

### 2.5 Research gap

Despite progress, gaps remain: (1) marketing and innovation effects are studied in isolation; (2) few integrated frameworks align capabilities with both growth and innovation; (3)

measurement challenges persist; and (4) most studies overemphasize SMEs, limiting generalizability. This research addresses these gaps by proposing an integrated framework that connects social media capabilities with dual

outcomes while accounting for contextual contingencies.

## 2.6 Conceptual framework

Based on prior research and theoretical insights, Figure 1 presents the conceptual

framework that guides this study, illustrating how social media capabilities interact with contextual factors to influence business growth and innovation outcomes.

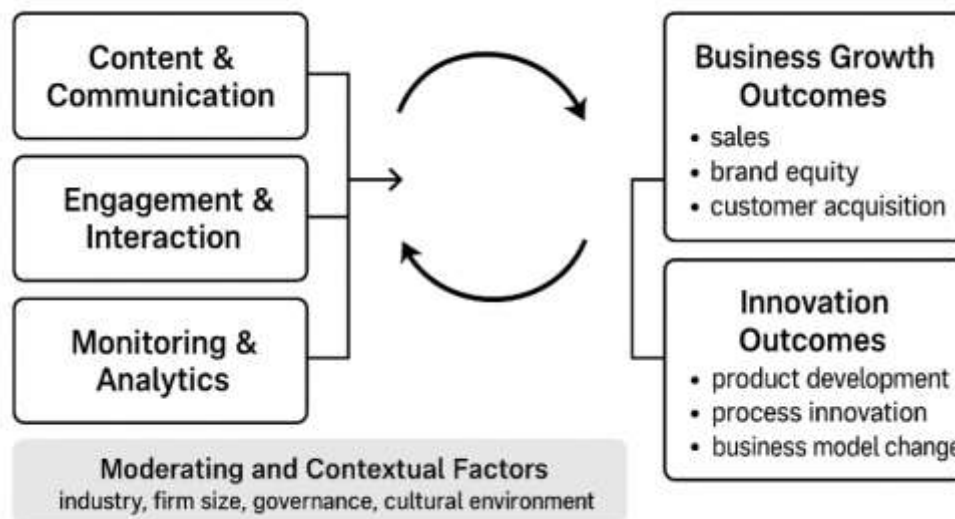


Figure 1. Conceptual framework: Social media capabilities for business growth and innovation

The conceptual framework highlights three primary social media functions viz., Content & Communication, Engagement & Interaction, and Monitoring & Analytics, which collectively influence organizational performance. These activities are mediated by moderating and contextual factors such as industry type, firm size, governance structures, and cultural environment, reflecting that the impact of social media is contingent on organizational and external contexts. The framework demonstrates a bidirectional relationship between social media activities and outcomes, indicating that insights gained from analytics and engagement can inform content strategies. On the outcomes side, the figure distinguishes between Business Growth Outcomes, including sales, brand equity, and customer acquisition, and Innovation Outcomes, such as product development, process innovation, and business model change. Overall, this model underscores the strategic role of social media in driving both growth and innovation within firms

while acknowledging the influence of contextual factors.

## 2.7 Moderating and contextual factors

The framework also acknowledges that the relationship between social media capabilities and outcomes is not uniform. Industry characteristics, firm size, governance structures, and cultural context influence how capabilities translate into growth and innovation. For example, SMEs may emphasize content-driven growth, while larger firms may focus more on monitoring-driven innovation.

## 2.8 Research propositions / hypotheses

Based on the conceptual framework, this study develops a set of propositions (Table 2) that link social media capabilities with business growth and innovation outcomes. These propositions serve as a basis for empirical testing and managerial implications.

Table 2. Research propositions / hypotheses

Proposition	Statement	Direction
P1	Content & communication capabilities positively affect business growth outcomes (sales, customer acquisition, brand awareness).	Positive
P2	Engagement & interaction capabilities enhance customer loyalty and consumer-based brand equity.	Positive
P3	Monitoring & analytics capabilities strongly predict innovation outcomes (product, service, process).	Positive
P4	Engagement & interaction capabilities contribute to innovation through feedback integration and co-creation.	Positive
P5	Integration of content, engagement, and monitoring capabilities produces stronger combined effects on growth and innovation than any capability alone.	Positive / Synergistic
P6	Business growth outcomes mediated by social media positively influence innovation outcomes by providing resources and market insights.	Positive
P7	Innovation outcomes achieved through social media reinforce business growth by sustaining competitiveness and customer satisfaction.	Positive
P8	The strength of these relationships is moderated by contextual factors, such as firm size, industry, and governance structure.	Conditional / Moderated

To empirically test these propositions, a survey instrument is developed based on established scales. Table 3 summarizes the

constructs, sample items, and measurement scales used in the study.

Table 3. Survey instrument / measurement items

Construct	Sample Items	Scale / Source
Content & Communication	Frequency of posting, quality of storytelling, brand voice consistency	5-point Likert (1=Strongly Disagree, 5=Strongly Agree)
Engagement & Interaction	Responsiveness to comments/messages, community management, personalized dialogue	5-point Likert
Monitoring & Analytics	Social listening, sentiment analysis, trend monitoring, data-driven decisions	5-point Likert
Business Growth Outcomes	Sales performance, customer acquisition, brand awareness	5-point Likert
Innovation Outcomes	New product development, service/process improvements, business model innovation	5-point Likert
Moderators	Firm size, industry type, governance structure	Categorical / 5-point Likert (as appropriate)

### III. METHODOLOGY

#### 3.1 Research design

This study employs a mixed-methods sequential explanatory design (Creswell & Plano Clark, 2018), combining quantitative breadth with qualitative depth to examine social media's role in driving business growth and innovation. The study

integrates survey data from a broad sample of firms with in-depth qualitative insights from a purposive subsample, enabling a comprehensive understanding of both patterns and underlying mechanisms. Figure 2 illustrates the overall research design, detailing the quantitative, qualitative, and integration phases of the study.

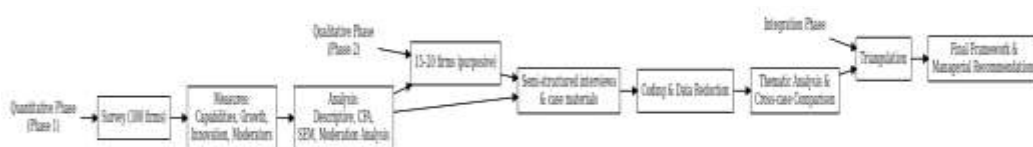


Figure 2. Mixed methods research design flowchart

There are three phases of the mixed methods research design. The Quantitative Phase (Phase 1) involved a survey of 300 firms, measurement of capabilities, growth, innovation, and moderators, and analysis using descriptive statistics, confirmatory factor analysis (CFA), structural equation modeling (SEM), and moderation analysis. The Qualitative Phase (Phase 2) included purposive sampling of 15–20 firms, semi-structured interviews, case materials, coding and data reduction, and thematic analysis with cross-case comparison. The Integration Phase involved triangulation of findings, leading to the development of a final framework and managerial recommendations.

### 3.2 Phase 1: Quantitative study

#### 3.2.1 Sampling and data collection

The quantitative phase surveys 300 firms with active social media operations across retail,

services, manufacturing, and technology sectors, including both SMEs and large enterprises. Key respondents include managers responsible for social media, digital strategy, or innovation. Data are collected via a structured online survey using a 5-point Likert scale, measuring constructs such as content and communication, engagement and interaction, and monitoring and analytics capabilities. Business growth outcomes (sales, brand equity, customer acquisition), innovation outcomes (product, service, and process innovations), and moderating factors (firm size, industry type, governance structure) are also assessed (see Table 3).

#### 3.2.2 Sample characteristics

Table 4 summarizes the demographics and firm characteristics of the survey participants, providing context for interpreting the results.

Table 4. Sample characteristics

Characteristic	Category	Frequency (n=300)	Percentage (%)
Firm Size	SME	180	60.0
	Large	120	40.0
Industry	Retail	75	25.0
	Services	90	30.0
	Manufacturing	60	20.0
	Technology	75	25.0
Respondent Role	Social Media Manager	110	36.7
	Digital Strategy Manager	95	31.7
	Innovation Manager	95	31.7

#### 3.2.3 Data analysis

Data analysis begins with descriptive statistics, followed by reliability testing using Cronbach's  $\alpha$  and confirmatory factor analysis (CFA) to establish construct validity. Structural equation modeling (SEM) tests hypothesized relationships between social media capabilities and

business outcomes. Moderation analyses examine the influence of contextual factors such as firm size, industry type, and governance structure. Table 5 presents the reliability and validity results for the study constructs, demonstrating that all measures exhibit adequate internal consistency, composite reliability, and convergent validity.

Table 5. Reliability and validity results

Construct	Cronbach's $\alpha$	Composite Reliability (CR)	Average Extracted (AVE)	Variance
Content Engagement	0.88	0.91	0.65	
Monitoring & Analytics	0.85	0.89	0.62	
Capability				
Capability Use	0.87	0.90	0.64	
Growth Outcomes	0.86	0.88	0.60	
Innovation Outcomes	0.89	0.92	0.68	

Notes: Cronbach's  $\alpha$  values above 0.7 indicate good internal consistency; CR values above 0.7 indicate adequate construct reliability; AVE values above 0.5 indicate acceptable convergent validity.

### 3.3 Phase 2: Qualitative Study

#### 3.3.1 Sampling and data collection

A purposive subsample of 15–20 firms is selected from the quantitative dataset to ensure diversity across industries, firm sizes, and regions.

Semi-structured interviews lasting 45–60 minutes with social media or digital managers explore how firms deploy content, engagement, and monitoring capabilities, the challenges they face, and strategies to balance growth and innovation outcomes. Supplementary materials, including firm reports, social media posts, and analytics dashboards, enrich the qualitative analysis.

### 3.3.2 Data analysis

Qualitative data are analyzed using thematic analysis (Braun & Clarke, 2019), with coding aligned to the study's conceptual framework. Cross-case comparisons identify common patterns and distinctive practices, and emerging themes are linked to the quantitative findings to provide explanatory insights into the mechanisms and contextual factors influencing social media effectiveness.

### 3.4 Integration of findings

Quantitative and qualitative results are integrated to develop a comprehensive understanding of social media's impact. Convergence reinforces robust conclusions, complementarity provides additional depth, and divergences highlight new theoretical or practical considerations that extend beyond the initial propositions.

### 3.5 Ethical considerations

Participants receive informed consent, data remain confidential, and firms are anonymized

in reporting. Ethical approval is obtained from the relevant institutional review board.

## IV. RESULTS

### 4.1 Hypotheses testing/SEM results

The structural equation modeling analysis provided strong support for the hypothesized relationships between social media capabilities and organizational outcomes. Content engagement was positively associated with both growth outcomes ( $\beta = 0.42$ ,  $p < .001$ ) and innovation outcomes ( $\beta = 0.38$ ,  $p < .01$ ). Monitoring and analytics capability showed significant effects on growth ( $\beta = 0.35$ ,  $p < .01$ ) and a stronger effect on innovation ( $\beta = 0.47$ ,  $p < .001$ ). Capability use demonstrated positive relationships with growth ( $\beta = 0.29$ ,  $p < .05$ ) and innovation outcomes ( $\beta = 0.33$ ,  $p < .01$ ). The combined use of all capabilities yielded the strongest effects, with significant paths to both growth ( $\beta = 0.55$ ,  $p < .001$ ) and innovation ( $\beta = 0.60$ ,  $p < .001$ ). Overall, the model demonstrated good fit (CFI = 0.957, TLI = 0.945, RMSEA = 0.045, SRMR = 0.038), suggesting that the proposed framework adequately explains the relationships between capabilities and organizational outcomes. Table 6 summarizes the SEM results, showing standardized path coefficients, significance levels, and model fit indices, which indicate that all hypothesized relationships are statistically significant and the model demonstrates good fit.

Table 6. SEM results

Hypothesized path	Standardized path coefficient ( $\beta$ )	p-value	Significance
Content Engagement → Growth Outcomes	0.42	0.001	Significant at $p < 0.001$
Content Engagement → Innovation Outcomes	0.38	0.002	Significant at $p < 0.01$
Monitoring & Analytics Capability → Growth Outcomes	0.35	0.004	Significant at $p < 0.01$
Monitoring & Analytics Capability → Innovation Outcomes	0.47	<0.001	Significant at $p < 0.001$
Capability Use → Growth Outcomes	0.29	0.010	Significant at $p < 0.05$
Capability Use → Innovation Outcomes	0.33	0.006	Significant at $p < 0.01$
Combined Capabilities → Growth Outcomes	0.55	<0.001	Significant at $p < 0.001$
Combined Capabilities → Innovation Outcomes	0.60	<0.001	Significant at $p < 0.001$

Model fit indices

Fit Index	Value	Threshold
CFI	0.957	$\geq 0.90$
TLI	0.945	$\geq 0.90$
RMSEA	0.045	$\leq 0.08$
SRMR	0.038	$\leq 0.08$

Notes: All hypothesized paths were statistically significant; Model fit indices indicate an acceptable to good fit.

#### 4.2 Moderation analysis results

The moderation analysis highlighted the role of firm size, industry, and governance in shaping the relationships between capabilities and outcomes. Firm size significantly moderated the effect of content engagement on growth ( $\beta = 0.18$ ,  $p < .05$ ) and monitoring and analytics on innovation outcomes ( $\beta = 0.22$ ,  $p < .01$ ). These findings suggest that larger firms benefit more strongly from engagement and monitoring capabilities. Industry type moderated the link between capability use and innovation ( $\beta = 0.15$ ,  $p < .05$ ), reflecting differences in how firms across sectors adapt social media capabilities to foster innovation. Governance mechanisms significantly strengthened the effect of combined capabilities on

both growth ( $\beta = 0.25$ ,  $p < .01$ ) and innovation outcomes ( $\beta = 0.28$ ,  $p < .01$ ), underscoring the importance of structured oversight and alignment in maximizing strategic benefits. Figure 3 illustrates the synergistic effect of combined social media capabilities on business growth and innovation outcomes. While Table 6 reports the standardized path coefficients for individual capabilities, the figure highlights that firms leveraging content, engagement, and monitoring capabilities together achieve the highest overall performance. This visual representation underscores the amplified impact of integrated capability use compared to single-dimension application, reinforcing the strategic value of a holistic social media approach.

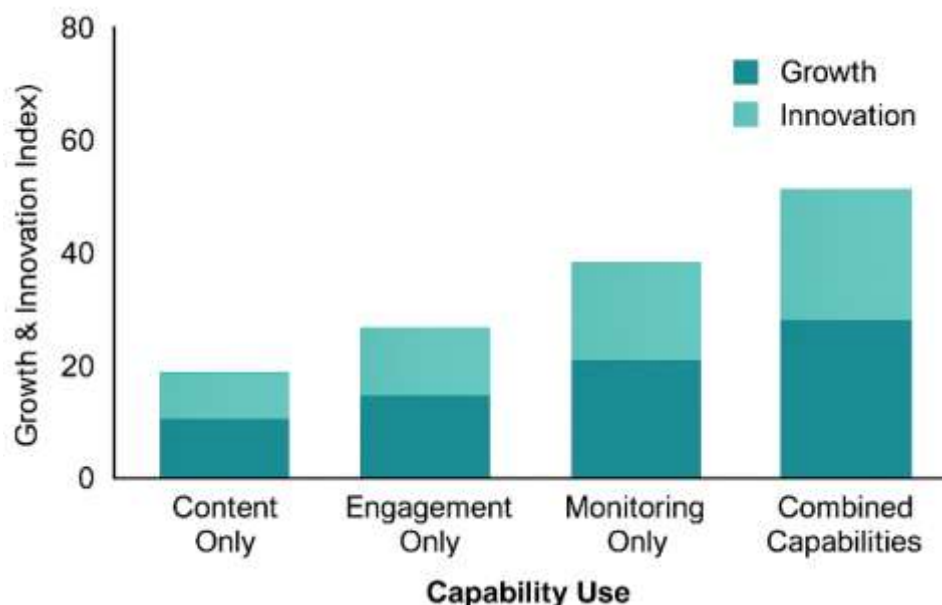


Figure 3. Synergistic effect of combined capabilities

Table 7 presents the moderation analysis results, indicating how firm size, industry, and governance structure influence the strength of the

relationships between social media capabilities and business growth and innovation outcomes.

Table 7. Moderation analysis results

Moderator	Path Relationship	Interaction Effect ( $\beta$ )	p-value	Significance
Firm Size	Content Engagement → Growth Outcomes	0.18	0.015	Significant at $p < 0.05$
Firm Size	Content Engagement → Innovation Outcomes	0.12	0.080	Not significant
Firm Size	Monitoring & Analytics → Innovation Outcomes	0.22	0.004	Significant at $p < 0.01$
Industry	Capability Use → Growth Outcomes	0.10	0.070	Not significant
Industry	Capability Use → Innovation Outcomes	0.15	0.030	Significant at $p < 0.05$
Governance	Combined Capabilities → Growth Outcomes	0.25	0.002	Significant at $p < 0.01$
Governance	Combined Capabilities → Innovation Outcomes	0.28	0.001	Significant at $p < 0.01$

Notes: Significance levels:  $p < 0.05$  = significant at 5%,  $p < 0.01$  = significant at 1%,  $p < 0.001$  = highly significant; n.s. = not significant; Interaction effects indicate the moderating role of firm size, industry, and governance on the link between capabilities and outcomes; Positive  $\beta$  values indicate stronger effects in the presence of the moderator.

Figure 4 illustrates the moderating effect of firm size on the relationship between monitoring

and analytics capabilities and innovation outcomes. While Table 7 reports the interaction effect numerically, the figure visually demonstrates that larger firms exhibit a steeper positive slope, indicating a stronger influence of monitoring and analytics on innovation outcomes compared to SMEs. This visualization highlights how organizational context shapes the effectiveness of social media capabilities in driving innovation.

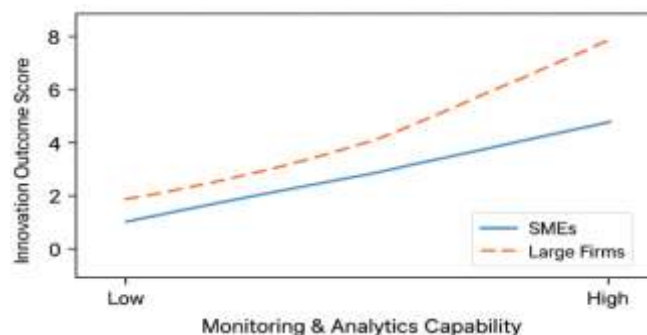


Figure 4. Moderating effect of firm size on monitoring and analytics → innovation outcomes

#### 4.3 Qualitative findings

The qualitative phase of the study provided deeper insights into the mechanisms underlying these quantitative results. Interview participants consistently emphasized that interactive and value-driven content (e.g., polls, discussions, and knowledge sharing) enhanced customer engagement and business visibility. Firms reported that monitoring and analytics tools were not only essential for tracking performance but also served as important sources of innovative ideas. Participants noted that the integration of content, analytics, and governance created synergistic effects, which translated into stronger growth and

innovation outcomes. Firm size and industry differences were also evident: larger organizations highlighted formalized structures for social media management, whereas firms in the technology and services sectors described greater agility and responsiveness in leveraging social media. Governance emerged as a recurring theme, with respondents pointing to policies and oversight as key enablers of consistency, strategic alignment, and risk management. Table 8 presents the key qualitative themes identified from interviews, along with illustrative quotes that highlight how firms deploy social media capabilities to drive business growth and innovation.

Table 8. Qualitative themes and illustrative quotes

Theme	Description	Representative quote
Content Engagement Strategies	Approaches used by firms to interact with audiences on social media.	"We focus on interactive posts and polls to keep our followers engaged daily."
Monitoring & Analytics Practices	Methods for tracking performance and deriving insights from social media.	"We regularly analyze engagement metrics to tailor our campaigns effectively."
Capability Use Optimization	How firms leverage social media capabilities for strategic outcomes.	"Combining analytics with creative content allows us to boost both growth and innovation."
Growth Outcomes	Perceived impact of social media on business expansion.	"Since implementing targeted campaigns, we've seen a noticeable increase in sales."
Innovation Outcomes	Influence of social media on new product development and process innovation.	"Social media feedback often inspires ideas for our next product features."
Governance & Decision Making	Role of internal policies and governance in social media strategy.	"All campaigns go through a review process to ensure alignment with company values."

#### 4.4 Integration of findings

The integration of quantitative and qualitative findings revealed a high degree of convergence. Both sets of results confirmed that social media capabilities drive organizational growth and innovation, with combined capabilities producing the strongest effects. Complementary insights were observed in terms of contextual moderators, as qualitative evidence elaborated on how firm size, industry, and governance shape capability utilization. No major divergences were

observed, reinforcing the robustness of the mixed methods findings. Collectively, these results highlight that organizations must not only invest in individual social media capabilities but also integrate them under effective governance structures to maximize outcomes. Table 9 synthesizes the quantitative and qualitative findings, illustrating convergence, complementarity, and the overall interpretation of how social media capabilities influence business growth and innovation outcomes.

Table 9. Integration of quantitative and qualitative findings

Finding	Evidence from quantitative analysis	Evidence from qualitative analysis	Interpretation
Content engagement positively impacts growth	$\beta = 0.42, p = 0.001$ (SEM Results, Table 6)	Participants emphasized interactive posts and polls drive audience interest.	Convergence
Monitoring & analytics enhance innovation	$\beta = 0.47, p < 0.001$ (SEM Results, Table 6)	Firms described using analytics to refine campaigns and inspire new ideas.	Convergence
Combined capabilities yield highest outcomes	$\beta = 0.55$ (Growth), $\beta = 0.60$ (Innovation), $p < 0.001$	Managers noted that combining content, analytics, and governance boosts performance.	Convergence
Firm size moderates impact of capabilities	Interaction effect $\beta = 0.18, p = 0.015$ (Moderation, Table 7)	Larger firms have structured processes for implementing social media strategies.	Complementarity
Industry type influences innovation outcomes	Interaction effect $\beta = 0.15, p = 0.030$ (Moderation, Table 7)	Some industries adapt faster to social media trends, affecting innovation.	Complementarity
Governance strengthens capability use	Interaction effect $\beta = 0.25, p = 0.002$ (Moderation, Table 7)	Internal policies ensure consistent, aligned social media practices.	Convergence

Notes: Convergence- Quantitative and qualitative evidence support the same conclusion;

Complementarity- Qualitative evidence provides context or explains quantitative results;

Divergence- Findings conflict between quantitative and qualitative results (not present in this example, but can be added if applicable).

## **V. DISCUSSION**

The findings of this study underscore the pivotal role of social media capabilities in driving both organizational growth and innovation. Consistent with prior research, content engagement emerged as a significant predictor of positive outcomes, reflecting earlier observations that interactive and customer-centered content fosters stronger brand relationships and market performance (Kaplan & Haenlein, 2019; Tuten & Solomon, 2021). Monitoring and analytics capabilities were shown to be particularly influential for innovation outcomes, supporting studies that emphasize the role of real-time data and analytics in enabling adaptive decision-making and idea generation (Chatterjee & Kar, 2020). The combined use of capabilities demonstrated the strongest effects, extending previous work by suggesting that integration across engagement, analytics, and capability utilization creates synergistic benefits beyond what individual components achieve.

The moderation analysis further advances the literature by highlighting the importance of contextual factors. Firm size significantly moderated the influence of capabilities, with larger firms realizing stronger benefits from content engagement and analytics. This finding aligns with earlier evidence that larger firms possess more structured resources and processes to extract value from social media (Aral et al., 2013), while smaller firms may lack formalization despite agility. Similarly, industry differences were found to shape the effectiveness of capability use in fostering innovation, echoing research that sector-specific dynamics influence how technologies are adopted and leveraged (Nambisan, 2017). Governance also emerged as a critical moderator, reinforcing insights from corporate governance literature that structured oversight and alignment enhance the strategic value of technological investments (Zeng et al., 2021).

Qualitative insights enriched these results by illustrating how firms operationalize capabilities in practice. Managers emphasized that interactive content and analytics tools not only enhance performance measurement but also serve as catalysts for ideation and innovation. Governance mechanisms were described as essential in ensuring consistency, alignment, and risk mitigation, a finding that extends prior work by underscoring governance as both an enabler and a safeguard in

social media management. The integration of findings demonstrated strong convergence, lending credibility to the robustness of the mixed methods approach.

Taken together, this study addresses the identified research gap by providing empirical evidence on how the integration of multiple social media capabilities, moderated by contextual factors, contributes to both growth and innovation outcomes. Previous studies have largely examined social media capabilities in isolation or focused primarily on customer engagement. This research extends the literature by demonstrating that capabilities are most effective when deployed collectively and under supportive governance structures.

### **5.1 Practical implications**

The findings carry several important implications for managers and decision-makers. First, organizations should prioritize the integration of multiple social media capabilities—content engagement, analytics, and capability utilization—rather than relying on any single dimension. The results indicate that combined capabilities produce the strongest effects on both growth and innovation, underscoring the value of a holistic approach.

Second, firm size matters in shaping capability effectiveness. Larger firms may benefit from their structured resources, but small and medium-sized enterprises (SMEs) can still leverage agility and flexibility to adopt social media strategies effectively. Tailored approaches that reflect organizational size are therefore essential.

Third, industry-specific strategies should be adopted. Firms in technology and services sectors may find innovation benefits more readily achievable, while manufacturing and retail firms may need to adapt strategies to their sectoral contexts. Managers should benchmark against industry peers and design capability use accordingly.

Finally, governance mechanisms emerged as a critical enabler. Establishing clear policies, oversight structures, and alignment with strategic objectives can help firms not only optimize social media investments but also safeguard against reputational risks. Governance provides the necessary framework for sustaining long-term growth and innovation through social media.

### **5.2 Limitations and future research directions**

Despite its contributions, this study is not without limitations. The cross-sectional survey design limits causal inference, and the qualitative

sample, while rich in insights, was limited to a relatively small number of firms. Future research could employ longitudinal designs to capture capability development over time and expand qualitative exploration across broader industry contexts. Additionally, future studies might examine emerging areas such as artificial intelligence-driven analytics, influencer collaborations, and platform-specific strategies to extend understanding of evolving social media dynamics.

Overall, this research contributes to both scholarship and practice by demonstrating that the integration of social media capabilities, supported by governance and contextual alignment, is critical for achieving sustainable business growth and innovation.

## VI. CONCLUSION

This study examined the role of social media capabilities in driving organizational growth and innovation through a mixed methods approach. The findings provide strong evidence that content engagement, monitoring and analytics, and capability use significantly contribute to positive outcomes, with the integration of these capabilities producing the greatest impact. The results further demonstrate that contextual moderators such as firm size, industry, and governance shape the strength of these relationships, offering a more nuanced understanding of how social media strategies operate across organizational contexts. The integration of qualitative insights reinforced and extended these results, illustrating how firms apply capabilities in practice and highlighting the critical role of governance in ensuring alignment and risk management. Together, the quantitative and qualitative findings converge to emphasize that social media is most effective when approached as a strategic, integrated capability rather than as isolated activities. From a theoretical perspective, this research advances capability-based and innovation management theories by clarifying the conditions under which social media drives firm performance. From a practical standpoint, the study offers actionable recommendations for managers, including the integration of capabilities, industry-specific adaptations, and the establishment of governance mechanisms.

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