

SOCIAL MEDIA USE AND SME PERFORMANCE IN NIGERIA: DO DIGITAL ENTREPRENEURIAL ORIENTATION, DIGITAL LITERACY, AND ORGANIZATIONAL AMBIDEXTERITY MODERATE THIS RELATIONSHIP?

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Abstract

This study examines the effect of social media use on SME performance, focusing on the quasi-moderating roles of digital entrepreneurial orientation, digital literacy, and organizational ambidexterity. A total of 232 SME owners in the retail and wholesale industry in Lagos State, Nigeria, were purposively sampled. Using the partial least squares method (PLSM), the cross-sectional data obtained with a well-structured questionnaire were analyzed for hypothesis testing. Based on the PLSM results, the study found that social media use significantly elevated SME performance. At the same time, entrepreneurial orientation, digital literacy, and organizational ambidexterity enhanced SME performance. The study also found that entrepreneurial orientation and organizational ambidexterity significantly moderated the effect of social media use on SME performance. But this was not the case for digital literacy, whose effect was insignificant. The findings confirmed the quasi-moderating roles of digital entrepreneurial orientation and organizational ambidexterity because they interact significantly with social media use while directly enhancing SME performance. The study concluded that the utility of social media for performance improvement is contingent upon the degree to which SMEs perceive themselves as demonstrating strong digital entrepreneurial orientation and organizational ambidexterity.

Keywords: Digital literacy, Entrepreneurial orientation, Organizational ambidexterity, SME performance, Social media.

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1. INTRODUCTION

SMEs contribute significantly to Nigeria's economic growth and development, but they struggle to survive beyond five (5) years of operation due to a lack of effective survival strategies (Shoyele, 2021). This poor strategic planning poses a challenge to the sustainable performance of SMEs in Nigeria (Ikpoto, 2023). The FATE report for 2024 revealed that entrepreneurial performance was slightly below average, with an index score of 0.44 (Adeyemi et al., 2024). Given this, SME owners would benefit from strategies contributing to higher performance in harsh business environments characterized by constant change and intense competition. A recent study (Al Halbusi et al., 2024) found that social media (SM) utilization offers numerous economic opportunities that enhance the performance outcomes of SMEs. With effective marketing on SM platforms, SMEs can increase product demand, reduce marketing costs, have access to new markets, and form new partnerships. Despite these benefits, SM adoption by Nigerian SMEs has been marginal, as some have not incorporated this tool into their strategic processes. Lending credence, the FATE report of 2024 indicated that technology adoption among MSMEs was 0.54, a decline from 0.58 in 2023 (Adeyemi et al., 2024). Despite SM's potential, sustaining its use may be challenging for SMEs when the practical benefits and gains are less visible and immediate. SMEs in the country have arguably not fully exploited the potential of this technology (Oni, 2021). This situation may account for Nigeria's low rating (143rd position out of 167 participating countries) in the International Technology Union report on the level of technology integration for global competitiveness (Sadiq et al., 2022). Nigerian entrepreneurs are aware of SM and its relevance for business endeavours but are more disposed to its use on a personal level (Omotosho, 2023). As such, there is an inconsistency in the utility of SM for business, making its benefits uncertain. It is essential to recognize that global competitiveness is driven by digital technologies, a factor fuelling the current wave of globalization. Firms that effectively integrate this technology will benefit from the environment created by this global force.

Additionally, research (Amegbe et al., 2023; Kgakatsi et al., 2024) has consistently mentioned that SM among SMEs is relatively low when compared to larger firms that actively embrace SM for strategic planning and performance optimization. It also noted that resource constraints, such as limited technical know-how and technological immaturity, restrict the full utilization of SM for organizational activities. As such, they may be unable to drive SM activities as they should, missing important growth and engagement opportunities. Given the optimism about the growth potential among Nigerian SME owners, they need to know how to leverage this technology for value addition and superior performance (Adeyemi et al., 2022; 2024). Empirically, studies (e.g., Ahmad et al., 2019; Yacob et al., 2023) have presented inconclusive results on the effect of SM use on SME performance. Other research demonstrated that context is critical for SM to be effective for performance optimization (Oyewobi et al., 2021; Jung & Shegai, 2023). Yet available evidence on the roles of contextual factors is limited and unclear (Charoensukmongkol, 2015).

Few studies (e.g., Sadiq et al., 2022; Oyewobi et al., 2021; 2022) have investigated the factors that stimulate and impede SM use as well as SM's effect on organizational performance in Nigeria. The missing link is the moderating context in which SM is effective for the attainment of better and more desired outcomes in SMEs. This gap explains the difficulty in reaching a consensus on the factors that should be developed to enable the comprehensive and purposeful deployment of SM in SMEs. This study intends to investigate the impact of SM use on SME performance, focusing on facilitating conditions that help maximize the effect. The findings will inform SM-enabled strategies and practices to enhance SME performance accordingly.

2. LITERATURE REVIEW

2.1 Social media and SME performance

Social media (SM) refers to a group of web-based applications and technologies that enable SMEs to create and exchange user-generated content with other customers, as well as build social networks for constructive engagement and communication (Igwe & Ononye, 2020). SM has transformed business operations by providing a boundaryless platform for information sharing, co-creation, relationship building, and other economic transactions. SMEs adopt SM because of its cost-effectiveness, compatibility, user-friendliness, and interactivity (Al Halbusi et al., 2024). The high internet penetration in Nigeria has translated to an increased use of SM by Nigerians. Estimates revealed that 107 million Nigerians used the internet at the beginning of 2025. Out of this, 38.7 million Nigerians actively used SM platforms (Kemp, 2025). This situation presents ample opportunities for firms to take business activities online, which enhances their digital presence, visibility, and engagement beyond their traditional market.

SMEs can benefit from the three activity levels of SM use, and they include consumption (i.e., internalizing user-generated content), conversation (i.e., interactions among users), and contribution (i.e., exchanging views and opinions through comments or posts) (Nayak et al., 2020; Ononye et al., 2023). SMEs' participation in these work-related and social-related activities evokes desirable consumer behaviours, such as brand awareness, brand love, brand trust, customer loyalty, and decisions, which are crucial to superior performance. These prospects encourage SMEs to consistently train and develop their capabilities to leverage SM affordances and to maximize their benefits for business (Xie et al., 2021). Notwithstanding, we are beginning to see SM reshape business practices, including marketing, human resource management, finance, and operations, to obtain a competitive advantage. Improving performance through value-creating activities is the bottom-line objective of SMEs wishing to succeed and survive in highly competitive and changing environments. SM can help SMEs accomplish this goal

because it provides a platform for them to measure their activities, such as marketing campaigns, through engagement parameters, such as clicks, views, shares, and comments. These feedback metrics not only offer unique perspectives into consumer tastes, preferences, and behaviours but also inform decision-making for performance improvement (Ahmed et al., 2025). It is important that SMEs understand the value and potential of SM for customer engagement and business growth. This is because they may struggle to perform when competing with larger firms that effectively use this technology.

Research has demonstrated that SM activities affect firm performance. A recent study (Yacob et al., 2023) found that SM adoption positively affected MSME performance during the COVID-19 pandemic in Jambi Province, Indonesia. The importance of social media during COVID-19 was amplified when offline activities were taken online due to economic restrictions and social distancing. Many SMEs will think entrepreneurially to maintain resilience and survive over time through their marketing activities. Al Halbusi et al. (2024) confirmed the positive effect of social media adoption on SME performance in Iraq. This effect was more robust when moderated by strong social media network capabilities and active customer involvement. Jung and Shegai (2023) demonstrated that the use of SM as a digital marketing innovation positively impacts the firm performance of Korean firms by offering opportunities for them to improve their marketing strategies and capabilities. Contradicting the above, Ahmad et al. (2019) found that SM adoption did not affect SME performance in the UAE. This finding reinforced the result of earlier research (Al-Bakri, 2017), which reported a non-significant relationship between SM adoption and the competitive advantage of SMEs in the Gulf Cooperation Council (Saudi Arabia, Qatar, Bahrain, Kuwait, and Oman). The mixed findings suggest that SM is a valuable strategic tool, but its utility may not always elevate firm performance. Even Jung and Shegai (2023) acknowledge that the effect of SM on firm performance was greater indirectly than directly. Adopting SM alone is not enough to elevate firm performance fully; other factors and capabilities may determine SM utility for an optimal effect in a given context. However, the reviewed studies focused on non-African countries, which suggests that studies of this nature are limited within the Nigerian context.

2.2 Digital entrepreneurial orientation

The contradictory results imply a lack of consensus, making it challenging to develop best practices in the form of activities and mechanisms as possible and insightful solutions for SMEs. Contextualizing the relationship between SM use and SME performance could help in refining business strategies and practices. The surge in the usage of digital technologies in Nigeria has led to changes in entrepreneurial and organizational behaviours among firms. The behavioural changes can influence the use of digital technologies and performance outcomes because the emerging opportunities are defining new ways of doing business. Therefore, SMES must act entrepreneurially by simultaneously engaging in proactive, innovative, and risk-taking behaviours. The combination of such behaviours to create value exemplifies

digital entrepreneurial orientation. With this type of orientation, SMEs can create additional value for themselves by using and aligning SM with traditional entrepreneurial activities (Jang & Lee, 2025). The logic behind digital entrepreneurial orientation is on how SMEs should operate or behave rather than what they do. This notion is critical in the strategic management process. Kraus et al. (2023) suggest that entrepreneurial orientation enables the intelligent deployment of digitalization strategy to inform SM use in organizations. Digital entrepreneurial orientation can direct or guide SMEs' focus on and actions for performance optimization. It empowers SMEs to reshape their opportunity space, enabling them to develop new purpose and value by enhancing existing pathways or opening new ones. The proclivity for innovation fosters adaptation amid increasing risks and uncertainties in the digital environment.

Digital entrepreneurial orientation is fundamentally about identifying and exploiting business opportunities made possible by digital technologies, rather than replicating traditional offline models. When SMEs are overly focused on traditional markets, they may fail to leverage the performance benefits provided by SM tools. Although studies show that entrepreneurial orientation affects SM adoption (Fan et al., 2021; Amegbe et al., 2023) and firm performance (Rauch et al., 2009; Yacob et al., 2023), we believe that it sets the foundations in which SM use creates new value from the pursuit of new opportunities to improve business performance. Because SM creates a borderless business landscape, digital entrepreneurial orientation aims to define how SM fosters entrepreneurship for SME competitiveness. Entrepreneurial orientation dictates the extent to which SMEs demonstrate entrepreneurship in the SM environment. Research has highlighted the moderating impact of entrepreneurial orientation in relationships between organizational factors and organizational performance. Al-Momani et al. (2023) affirmed this role in the effect of innovation on pharmaceutical SMEs' performance in Jordan. Vrontis et al. (2022) found that entrepreneurial orientation moderated the adoption of digital technologies for social and economic value creation, which in turn influenced SME performance in India.

Given the above, it is assumed that digital entrepreneurial orientation plays a quasi-moderating role by affecting SME performance directly. It also creates the conditions for business to be successfully conducted on SM platforms, and this extension has performance implications for SMEs in Nigeria. According to Cerin (2014), constructs seen as quasi-moderators not only directly relate to the dependent variable but also influence the relationship between independent and dependent variables.

2.3 Digital literacy

Another contextual factor the study considered is digital literacy. Digital literacy refers to the knowledge of or ability to use digital resources and tools effectively and critically for business purposes. The study argues that SM adoption enhances SME performance when digital literacy is consistently improved and

sustained. Adequate knowledge resources help SMEs grasp market dynamics and policy requirements for effective SM use, making it easier to seize business opportunities and support entrepreneurship. Digital literacy significantly shapes how individuals engage with social media by enhancing their capacity to critically evaluate content, participate in content creation, interact responsibly, and self-regulate interactions. Digital knowledge improves digital proficiency and integration, which could help close performance gaps. Without the skills and competencies to navigate the dynamic SM terrain, its functionalities and benefits remain untapped. Digital literacy purposefully enables users to transform casual social media engagement into deliberate and skill-enhancing activities. Therefore, enhancing digital literacy is not merely a strategic move but a necessity to exploit the accruable performance benefits. Besides, the rapid and continuous technological advancement requires SMEs to regularly update their skills and competencies to catch up with the latest digital trends and confidently perform tasks with them. Ahmed et al. (2025) demonstrated that technological knowledge helps firms to adopt SM properly. Effective adoption is attained when compatibility, infrastructure, complexity, and cost issues are well-managed. With digital literacy, SMEs can creatively use SM to engage in digital entrepreneurship, which makes them more resilient in turbulent business environments (Mohamad et al., 2025; Shatila et al., 2025). Novela et al. (2024) found that digital literacy develops entrepreneurial skills for sustainable business growth. Sulistyowati (2021) argued that improving digital literacy is an effective survival strategy in the disruptive environment created by the COVID pandemic. It also extends social capital, an important strategic resource possessed by SMEs. Sariwulan et al. (2023) found that digital literacy improves SME performance in garment clusters in Indonesia through the development of economic literacy and entrepreneurial skills. According to Hasan et al. (2024), digital economic literacy affects business success. Ji and Zhuang (2023) found that digital literacy improves farmers' entrepreneurial performance through entrepreneurial bricolage and opportunity identification. Tai-Kuei et al. (2017) found that the impact of technology adoption behavior is moderated by digital literacy. Tirado-Morueta et al. (2018) affirmed that digital literacy acts as one of the facilitating conditions that support the use and acceptance of technology. Additionally, other studies have shown that digital literacy facilitates the conditions in which technology-related factors affect firm performance. For instance, Alzaghal et al. (2024) documented that the positive and significant artificial intelligence adoption and SME competitive advantage nexus was moderated by digital literacy. Tricahyono and Sudrajat (2023) confirmed the moderating role of digital literacy in the relationship between digital capabilities (i.e., managerial and operational digital capabilities) and business performance of MSMEs in Indonesia. Given the above, the study posits that digital literacy, like digital entrepreneurial orientation, can be a quasi-moderator, as it directly relates to SME performance and moderates the effect of SM use on SME performance.

2.4 Organizational ambidexterity

The study also argued that SMEs should be able to simultaneously exploit existing business practices and explore other practices crucial to superior performance. This capability is known as organizational ambidexterity. According to Kassotaki (2022), SMEs that maintain core activities achieve predictable, short-term returns that may not be necessarily sustainable. Focusing mainly on existing competencies or strengths puts SMEs in a performance trap, triggering organizational inertia that impedes effective adaptation to changing externalities. To achieve long-term results, they must also invent new ways of doing things as changes unfold in technology and the market. SMEs can achieve superior performance by balancing the need to optimize results from current practices and develop new practices through innovation for growth. Firms that effectively combine both strategic orientations tend to outperform those who focus on one. The objective of organizational ambidexterity is for SMEs to promote short- and long-term competitiveness. Trieu et al. (2023) found that organizational ambidexterity is closely related to IT capabilities and firm performance. Ngammoh et al. (2021) mentioned that organizational ambidexterity enables SM as a strategic capability for ICT-related SMEs in Thailand. Mardi et al. (2016) established a strong connection among social technology adoption, organizational ambidexterity, and organizational performance of Indonesian companies. The study also verified the mediating role of organizational ambidexterity, demonstrating the contextual importance of this variable. This study extends this research and seeks to consider the moderating role. It is plausible to infer that SMEs with high ambidexterity can motivate SM use in their activities, making them operate online and offline. The willingness to use SM may depend on how well SMEs exhibit ambidextrous behaviors.

2.5 Theoretical framework

Drawing from the dynamic capability theory, digital entrepreneurial orientation, digital literacy, and organizational ambidexterity are dynamic capabilities that enable SMEs to effectively integrate, develop, and reconfigure SM use to meet business objectives in a constantly evolving competitive landscape. In doing so, they purposefully transition SMEs' activities online to create unique economic advantages crucial to sustainable performance. When SMEs operate online and offline, they are in a better position to further their business objectives because they are not limited by geographic location and traditional markets. The resource-based perspective recognize that SM is a technological resource that enhances SME performance. However, to optimize the resource-performance nexus, SMEs must leverage their abilities (such as digital entrepreneurial orientation, digital literacy, and organizational ambidexterity) to improve work processes and foster superior performance (Fan et al., 2021). Six hypotheses were proposed from the insights presented in past literature, and they are as follows:

H1: Social media use significantly elevates SME performance.

H2: Digital entrepreneurial orientation significantly enhances SME performance.

H3: Digital literacy significantly enhances SME performance.

H4: Organizational ambidexterity significantly enhances SME performance.

H5: Social media use significantly elevates SME performance when digital entrepreneurial orientation is high.

H6: Social media use significantly elevates SME performance when digital literacy is high.

H7: Social media use significantly elevates SME performance when organizational ambidexterity is high.

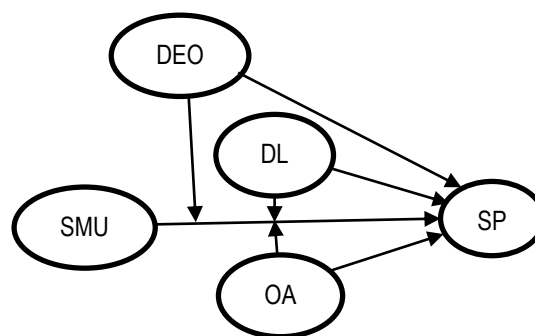


FIGURE 1. RESEARCH MODEL

Source: The Researchers' elaboration, 2025

Note: SMU = social media use, DEO = digital entrepreneurial orientation, DL = digital literacy, OA = organizational ambidexterity, SP = SME performance

3. METHODS

This study employed a cross-sectional research design to gather data through a well-structured questionnaire at a given time. The study was situated in Lagos, Nigeria's commercial hub. The study purposively sampled SMEs that use SM to facilitate business activities. Furthermore, the focus was on SMEs operating in the wholesale and retail industry. This industry has the largest number of SMEs not only in the study area but also in Nigeria. The sample was drawn from a directory provided by the National Bureau of Statistics, which included 11,643 registered SMEs in Lagos. Tajvidi and Karami (2017) acknowledge that conducting research in Africa is challenging because there are very few SME owners who permit surveys of their firms. A sample of 233 SME owners was obtained after screening SMEs that run online businesses and voluntarily participated in the survey. This type of respondent is presumed to be knowledgeable of SM functionalities and has used it in various capacities to conduct business. They also have an in-depth understanding of their business performance and environment (Tajvidi & Karami, 2017). Therefore, the constructs under study may be manifest to a certain degree. A full-scale survey was not

feasible due to limited resources in terms of time, money, and manpower. This fact guided the research design and sampling process.

Consents were obtained from SME owners before administering the structured questionnaire that was developed from previously validated scales. The questionnaire was administered alongside a cover letter that explicitly stated the research aims, significance, and participants' rights. This was done to ensure the questionnaire elicited unbiased responses. The survey lasted for two months, starting in February and concluding in March 2025. The researchers were available to clarify any issues, comments, or questions when filling out the questionnaire. Out of 233 questionnaires administered, 1 had a missing value and was excluded from further analysis. The usable responses for analysis were 232. The demographic characteristics of the respondents indicate that 72 (31%) were males and 160 (69%) were females. This finding suggests that the wholesale and retail industry is dominated more by women. The mean age of the respondent was 39.3 years, with business experience spanning 8.1 years on average. A majority of the respondents had a bachelor's degree. The level of SM use was basic (46; 19.8%), moderate (79; 34.1%), and extensive (107; 46.1%). The preferred SM platforms used by SMEs are Instagram (90), WhatsApp (73), Meta (39), Telegram (21), and X (9). The average year of SM adoption was 4.1 years.

Five questions were adapted to measure SM use. This scale incorporated insights from Sadiq et al. (2022). To measure digital literacy, a five-item questionnaire was adapted from Avinç and Doğan (2024). Digital entrepreneurial orientation was assessed using a nine-item questionnaire adapted from Jang and Lee (2025). Wang et al. (2024) provided eight and four measurement items for organizational ambidexterity and SME performance, respectively. The respondents' level of agreement was assessed on a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5). The questionnaire was subjected to face validity, whereby it was presented to two professors of management and three SME owners to assess its psychometric properties. They confirmed that the questionnaire was clear, comprehensible, and relevant. The Cronbach's alpha test was used to determine the construct reliability and was conducted with the SPSS 20.0 software. Fifteen SME owners participated in this pilot test. The resulting values (SM use = 0.794, digital entrepreneurial orientation = 0.820, digital literacy = 0.846, organizational ambidexterity = 0.761, and SME performance = 0.806) demonstrated satisfactory internal consistency among the constructs.

The partial least squares method (PLSM) for structural equation modelling (SEM) was used for data analysis and testing of the formulated hypotheses. PLSM is less restrictive in terms of variable normality and requires a smaller sample size to achieve stable estimation compared to other SEM techniques. The two-step PLSM procedure, wherein the measurement and structural models were sequentially assessed, was employed. The measurement model's psychometric properties were evaluated in terms of reliability,

validity, and common method bias (CMB). Consequently, the structural model was assessed to determine the effect type and significance of the hypothesized paths. The SmartPLS 4 software facilitated the PLSM test. Hair et al. (2022) provide the guidelines applied for interpreting PLSM results.

4. RESULTS AND DISCUSSION

The study conducted a preliminary assessment of the dataset to determine whether it was factorable. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity (BTS) were used for this confirmation. SPSS 20.0 software facilitated these tests. The KMO values were as follows: SM use (0.749), digital entrepreneurial orientation (0.764), digital literacy (0.636), organizational ambidexterity (0.712), and SME performance (0.675). The resulting values exceeded the recommended threshold of 0.60, suggesting that the sample is sufficient for factor analysis. The BTS scores were significant at $p < 0.05$, indicating that the relationships among the constructs are significant for factor analysis. To ensure there was no CMB problem in the dataset, the study employed Harman's single factor test, which indicated that the amount of variance by the first factor was 39.73% of the total variance. This score was within the maximum acceptable limit of 50%. This result is reinforced by the variance inflation factor (VIF) values. The scores were within the tolerable limit of < 3.3 recommended by Kock (2015) for the absence of significant CMB issues. Based on Hair et al.'s (2022) recommendation, it was also less than 5, suggesting that no multicollinearity problem exists in the dataset. The CMB test reduces redundant information and ensures stable estimations for reliable conclusions.

TABLE 1. MEASUREMENT MODEL RESULTS

Constructs	1	2	3	4	5
1. SMU	0.887				
2. DEO	0.408	0.829			
3. DL	0.352	0.254	0.846		
4. OA	0.391	0.327	0.414	0.875	
5. SMP	0.225	0.386	0.209	0.340	0.855
Mean	4.015	4.149	3.984	4.005	4.227
SD	0.853	0.827	0.990	0.833	0.941
FL	0.873 – 0.849	0.783 – 0.830	0.776 – 0.801	0.792 – 0.874	0.812 – 0.886
CR	0.891	0.858	0.797	0.802	0.834
AVE	0.787	0.687	0.716	0.765	0.731
VIF	1.270	1.066	1.938	1.744	

Source: The Researchers' PLSM compilations, 2025

Note: SMU = social media use, DEO = digital entrepreneurial orientation, DL = digital literacy, OA = organizational ambidexterity, SMP = SME performance, SD = standard deviation, FL = factor loading, AVE = average variance extracted, CR = composite reliability, VIF = variance inflation factor, SRMR = standardized root mean square residual, NFI = normed fit residual

In Table 1, the factor loadings (FL) and composite reliability (CR) determined the reliability of the measurement model. The FLs were above the recommended cut-off of > 0.707 , suggesting good item reliability. The items or indicators reflect the constructs they are meant to measure. The CR exceeded the allowable threshold of 0.70, evidencing adequate construct reliability among the latent constructs. The average variance extracted (AVE) and the Fornell-Larcker criterion were employed to evaluate the validity of the measurement model. The AVE values were within the recommended cut-off of > 0.60 for satisfactory convergent validity. The results of the Fornell-Larcker criterion indicate that the coefficient of each construct exceeded its inter-construct correlations. Therefore, there was adequate discriminant validity among the constructs.

TABLE 2. STRUCTURAL MODEL RESULTS

Paths	β (p-value)	Remark
1. SMU \rightarrow SMP	0.163 (0.000)	Supported
2. DEO \rightarrow SMP	0.359 (0.000)	Supported
3. DL \rightarrow SMP	0.102 (0.043)	Supported
4. OA \rightarrow SMP	0.404 (0.000)	Supported
5. SMU*DEO \rightarrow SMP	0.102 (0.006)	Supported
6. SMU*DL \rightarrow SMP	0.081 (0.159)	Unsupported
7. SMU*OA \rightarrow SMP	0.119 (0.000)	Supported
SRMR	0.073	Good fit
NFI	0.829	Acceptable fit
R ²	0.463	Moderate
Q ²	0.281	Medium

Source: The Researchers' PLSM compilations, 2025

Note: SMU = social media use, DEO = digital entrepreneurial orientation, DL = digital literacy, OA = organizational ambidexterity, SMP = SME performance, $p < 0.05$

In Table 2, the model fit test was conducted using the standardized root mean square residual (SRMR) and the normed fit index (NFI). The SRMR did not exceed the allowable limit of 0.08 for a satisfactory fit, and the NFI was close to 1 for an acceptable fit. Therefore, the research model practically fits the observed data. Based on the R², the interplay between SM use, digital entrepreneurial orientation, digital literacy, and organizational ambidexterity explained 46.3% of the variance in SME performance, which suggests that the explanatory power of the model is moderate. The Q² also suggests the structural model has moderate predictive relevance and accuracy.

A bootstrap procedure using 5,000 subsamples was employed to test the significance of the structural paths. In Table 4, the PLSM results indicate that using social media (SM) is positively and significantly associated with the performance of small and medium enterprises (SMEs) ($\beta = 0.163$; $p < 0.05$), supporting the notion that using social media significantly enhances SME performance. Therefore, H1 was accepted. The study took a definitive stance on the possible effect, given that contradictory results were observed in previous investigations. In doing so, we agreed with research (e.g., Jung & Shegai, 2023; Al

Halbusi et al., 2024; Yacob et al., 2023) that supported the relationship between the concepts but disagreed with those that provided no evidence of support for a relationship (e.g., Al-Bakri, 2017; Ahmad et al., 2019). Nigerian SMEs benefit from the use of SM, which makes investments in such digital technologies critical for superior performance.

The dynamic capabilities of digital entrepreneurial orientation ($\beta = 0.359$, $p < 0.05$), digital literacy ($\beta = 0.102$, $p < 0.05$), and organizational ambidexterity ($\beta = 0.404$, $p < 0.05$) were found to enhance SME performance. Therefore, H2, H3, and H4, proposing a direct and significant effect between these dynamic constructs and SME performance, were accepted. Research has consistently shown that these constructs renew firms' capacity to effectively and efficiently adapt to changing externalities, which makes them crucial for performance optimization. The validity of this notion has been confirmed in recent studies (Sariwulan et al., 2023; Trieu et al., 2023; Yacob et al., 2023). However, what appears new is the contextual relevance of these constructs in improving the effect of work processes on performance. The study argues that high digital entrepreneurial orientation moderates the significant effect of SM use on SME performance. The PLSM result ($\beta = 0.102$, $p < 0.05$) confirmed that this argument is valid. Therefore, H5 was accepted. Digital entrepreneurial orientation directly impacts SME performance, and at the same time, facilitates conditions for the proper utilization of SM processes to elevate performance. SMEs in Nigeria need to think entrepreneurially if they are to define how SM is used to create and deliver value with significant performance implications. This finding agrees with studies (Vrontis et al., 2022; Al-Momani et al., 2023) that operationalized entrepreneurial orientation as a moderating construct in relationships between SME performance and other work/organizational antecedents. This study included SM use in the list of organizational antecedents and confirmed its quasi-moderating role.

The study proposed that SM use significantly elevates SME performance when digital literacy is high. The PLSM result ($\beta = 0.081$, $p > 0.05$) provided no support to this proposition, leading to the rejection of H6. Although the moderating role of digital literacy was positive, it was not significant enough to elevate SME performance. Possibly, SMEs in Nigeria do not need to be highly knowledgeable about SM and its functionalities because it is easy to use. Having specialized and advanced knowledge may not be a salient condition to satisfy the requirements for effective SM use and coordination. Furthermore, digital literacy contributes to SM use in some way; however, it is plausible that its effectiveness may be dependent on other outcomes (e.g., digital attitude and behaviour) and the context of SM use. This finding contradicts the position of scholars (Tai-Kuei et al., 2017; Tirado-Morueta et al., 2018; Alzaghal et al., 2024), who reported that digital literacy creates an environment that promotes the acceptance and use of digital technologies. As such, the quasi-moderating role of digital literacy was not confirmed, as the construct only directly affected SME performance.

The study also suggested that SM use significantly elevates SME performance when organizational ambidexterity is high. The PLSM result ($\beta = 0.119$, $p < 0.05$) confirmed the validity of this suggestion, resulting in the acceptance of H7. Organizational ambidexterity helps SMEs to recognize and explore SM as a viable path for optimizing their current performance level. In this way, they can reconfigure present work processes and activities to add new operational parameters. SMEs can simultaneously benefit from conducting business online and offline by accessing, integrating, and using SM. SM use can create new and more value when SMEs have high levels of ambidexterity. This study somewhat concurs with Mardi et al. (2016), who found that organizational ambidexterity has contextual relevance, as a mediator, in the technology adoption-performance link. However, this study extends the contextual role to that of a moderator. Nevertheless, the quasi-moderating role of organizational ambidexterity was established accordingly.

5. CONCLUSIONS

The study examined the impact of SM use on SME performance in Nigeria, focusing on the quasi-moderating roles of digital entrepreneurial orientation, digital literacy, and organizational ambidexterity. The study found that SM use, digital entrepreneurial orientation, digital literacy, and organizational ambidexterity strongly enhanced SME performance. Additionally, the study validated the moderating role of digital entrepreneurial orientation and organizational ambidexterity, but not for digital literacy. This finding underscored digital entrepreneurial orientation and organizational ambidexterity as conditions to maintain a proper SM-performance fit. The study concluded that the utility of SM for performance enhancement is contingent upon the degree to which SMEs perceive themselves as demonstrating strong digital entrepreneurial orientation and organizational ambidexterity.

The findings of this study have theoretical implications because, despite the mixed evidence, there is a noticeable lack of research exploring the context that fosters social media use for performance improvement. Moreover, studies that provided context in elucidating the nexus between digital technology adoption and work outcomes focused on mediators (Sadiq et al., 2022; Oyewobi et al., 2021; 2022; Yacob et al., 2023). This study contextualizes the influence of SM within the quasi-moderating confines of digital entrepreneurial orientation and organizational ambidexterity. Furthermore, a majority of reviewed studies were conducted in different geographic settings outside Nigeria. This study contributed by providing insights from the Nigerian SME experience.

Practically, SMEs should purposefully deploy SM tools in their operation because they stand to gain more from their productive use. It improves their online visibility, presence, relationships, and communication

beyond their traditional stakeholders and market. SMEs should properly develop and sustain their dynamic capabilities, especially entrepreneurial orientation and organizational ambidexterity, to achieve results-driven SME use. These dynamic capabilities enable SMEs to create a hybrid model that uses social media to extend offline economic/business activities, thereby offering flexibility and diversity in their operational parameters. Given this, SMEs should be receptive to constructive digital ideas that create new value for them, even if it requires them to step out of their comfort zone. They should tactfully synergize efforts and resources with offline operations as they explore new ways to do business and leverage the benefits of going online. Both entrepreneurial orientation and organizational ambidexterity require SMEs to take risks in order to successfully align online and offline activities in a value-enhancing manner. SME owner/manager's commitment to establishing a common identity through integrated sets of actions can enhance the potency of SM for performance optimization. SMEs should be aware that digital literacy helps them to perform, but it is not a condition for the effective use of SM for business.

The study was limited by its focus on a specific industry in a given Nigerian state; future studies should broaden the organizational and geographic scope to increase the generality of the findings. The use of cross-sectional data limits the drawing of concrete inferences about relationships; future research should focus on using mixed data to improve the depth of information for inference drawing. The use of longitudinal data should be encouraged to know the evolution of the relationship over time. Future research should explore other factors that can influence SME performance in a social media context. Research models that examine the mediated moderation and moderated mediation effects can provide a holistic understanding. However, studies on mediators and moderators are still limited. The study indicated that digital literacy did not moderate the relationship between social media use and SME performance. Future research may determine whether there are dimensions of digital literacy that could play a moderating role. The data was collected from SME owners, which comes with the possibility of common method bias problems. A multi-source approach to data collection can be adopted to mitigate the likelihood of bias in future studies.

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