



Resilience of Small Medium Business

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TURNING ENGAGEMENT INTO INCOME: THE ROLE OF SOCIAL MEDIA MARKETING, SERVICE QUALITY, AND CUSTOMER ORIENTATION

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ABSTRACT

Objective: This study aims to investigate the mechanisms that bridge digital technology investment to corporate financial performance, specifically addressing the “digital attention paradox” by examining the role of operational and cultural capabilities in converting virtual engagement into tangible business benefits.

Research Design & Methods: Using an explanatory quantitative approach with a causal survey design, data were collected via an online structured questionnaire. The conceptual framework was empirically tested using Partial Least Squares Structural Equation Modeling (PLS-SEM). This model operationalizes Social Media Marketing (SMM) as an external trigger (antecedent trigger), along with Customer Orientation (CO) and Service Quality (SQ) as dual-reflective mediating variables, leading to Income (Inc) as the primary endogenous financial outcome.

Findings: Empirical results show that Social Media Marketing has no significant direct effect on Income (Original Sample = 0.072, $p = 0.059$). Conversely, the impact of SMM on financial performance is fully accounted for through a dual full-mediation model. SMM significantly increases Service Quality (0.248) and Customer Orientation (0.212). Furthermore, both Service Quality (0.566) and Customer Orientation (0.405) exert a very strong direct influence on Income, accounting for 86% of the total variance in that variable ($R^2 = 0.860$).

Implications: Theoretically, this study expands the Capability-Based View (CBV) by demonstrating that static digital assets generate very minimal economic value unless integrated with an organization’s human-driven internal capabilities. Practically, this research provides a definitive roadmap for modern executives, demonstrating that the success of digital transformation does not depend on the scale of social media presence, but rather on aligning service delivery infrastructure with a customer-centric culture to convert digital attention into tangible commercial transactions.

Novelty: The primary novelty of this study lies in its success in unpacking the “black box” of digital conversion through the empirical validation of a dual-path full-mediation structure. This study demonstrates that social media marketing lacks the independent capacity to drive revenue; its financial sustainability depends entirely on the dual mediating roles of Service Quality and Customer Orientation in transforming fleeting digital engagement into sustainable business revenue.

Keywords: Social Media Marketing, Service Quality, Customer Orientation, Business Revenue.

JEL codes: M31, M10, O33
Article type: research paper

INTRODUCTION

In the contemporary digital economy, the paradigm of market interaction has fundamentally shifted from a physical-commodity-based economy to an attention-intensive digital ecosystem. The massive proliferation of social media platforms such as Instagram, TikTok, and LinkedIn has redefined how organizations build relationships with consumers (Alves et al., 2016). Human attention has now transformed into the most valuable digital currency. For modern businesses, maintaining an aggressive digital presence is no longer an experimental option but a survival strategy to preserve brand visibility and competitive advantage (Lamberton & Stephen, 2016). As a result, companies allocate substantial budgets to produce creative content in pursuit of “vanity metrics” such as the number of likes, shares, and followers. This approach is driven by a widely held linear assumption in the industry: that high user engagement on social media will automatically and directly increase business revenue.

However, industry realities present a contradictory narrative that gives rise to the “digital attention paradox.” Many companies record viral digital interactions online, yet the actual revenue figures in their financial reports remain stagnant or even decline (Saura et al., 2021). This real-world phenomenon reveals a broken link in the digital conversion process. Social media, by its very nature, is merely an initial medium of interaction capable of bringing potential customers to a business’s doorstep; however, these platforms lack the inherent ability to ensure that this initial contact results in a sustainable financial transaction. The failure of these digital marketing

strategies often occurs because companies focus too much on amplifying their “voice” externally while neglecting the readiness of their internal organizational capacity (Quinn et al., 2016).

To resolve this paradox, academic and practical attention must shift from technological metrics toward more human-centered internal aspects, one of which is Service Quality. When a Social Media Marketing (SMM) strategy successfully builds high expectations through captivating visuals, those digital promises are immediately put to the test when consumers interact with the company’s actual service system (Kamboj et al., 2018). Service quality is not merely about the speed of automated message responses, but rather about the empathy, responsiveness, and human reliability that consumers experience when they step away from the virtual screen (Truong & Chen, 2025). If the sweet promises on social media are shattered by the reality of poor service, consumer trust will immediately evaporate. This disappointment not only cancels transactions but also triggers negative online publicity that damages the company’s financial reputation (Tajvidi & Karami, 2021). Therefore, service quality acts as an essential operational engine that transforms the flood of digital attention into valid transactions.

Successful digital conversion requires a strong philosophical foundation in organizational culture, namely Customer Orientation. Companies with a strong customer orientation do not view social media users merely as sales targets, but as whole human beings with their own needs and challenges (Hsu & Hu, 2024). When social media marketing is conducted on the foundation of a customer-oriented culture, the content produced is no longer manipulative in pursuit of fleeting virality but focuses on presenting genuine solutions (Radebe et al., 2024). This humanistic approach builds deep emotional bonds and trust, which ultimately breaks down purchasing resistance as consumers move through the sales funnel. The integration of social media’s appeal, operational reliability of service, and a culture of genuine care is, in theory, the complete formula for transforming digital engagement into tangible financial contributions (Hollebeek & Macky, 2019). Although the importance of social media marketing, service quality, and customer orientation has been widely discussed separately, the mechanisms by which these three elements interact simultaneously to drive business revenue remain an uncharted “black box.” Most of the existing literature remains trapped in simplistic and reductionist tests of direct effects, which often yield inconsistent and contradictory findings. These studies overlook the fact that digital conversion pathways require a bridge of internal organizational capabilities so that technology investments can yield results on financial statements.

This study aims to bridge this conceptual gap by rejecting the assumption of a direct linear relationship. Using the Resource-Based View and Dynamic Capabilities Theory, we test a new structural model that positions service quality and customer orientation as dual mediating variables. Therefore, the main novelty of this study lies in its success in unraveling the “black box” of the digital conversion mechanism through the validation of a dual full-mediation model, which demonstrates that social media marketing does not directly dictate financial revenue; but rather depends entirely on the mediating roles of Service Quality and Customer Orientation in transforming digital engagement into sustainable business revenue a conceptual integration that has long been overlooked in the global digital marketing management literature.

LITERATURE REVIEW

The development of the conceptual model in this study is theoretically grounded in the Capability-Based View (CBV), a framework that emerged as an extension of the Resource-Based View (RBV). While the RBV argues that a firm’s competitive advantage stems from the ownership of valuable, rare, unique, and difficult-to-imitate assets, the CBV goes a step further by asserting that digital assets or resources will not generate optimal economic value if they exist in isolation (Tajvidi & Karami, 2021). In the context of digitalization, social media platforms are categorized as static digital assets that competitors can easily purchase or imitate (Moro-Visconti & Cesaretti, 2023). The true strategic value of these digital assets is realized only when a firm possesses the internal organizational capabilities to integrate and deploy these technological resources to respond to market dynamics. Referring to this concept, Social Media Marketing (SMM) acts as an external technological antecedent (Eze et al., 2021), Service Quality and Customer Orientation act as internal organizational capabilities that serve as mediators in translating these technology investments into tangible financial performance, namely business revenue.

The direct relationship between Social Media Marketing and Business Revenue is rooted in the premise of digital marketing that interactive platforms facilitate two-way dialogue, build engagement, and reduce traditional intermediary costs to drive sales (Alves et al., 2016). Through SMM activities, organizations have a very powerful tool for capturing market signals, monitoring shifts in user preferences, and collecting real-time interaction data (Munoz et al., 2016). However, in line with contemporary empirical findings, the direct impact of SMM on financial performance often yields inconsistent or weak results due to the existence of a cognitive gap between users’ recreational behavior in cyberspace and their actual financial commitment (Saura et al., 2021). Therefore, to ensure that SMM strategies can be directly translated into revenue, companies need a stable conversion channel where the digital content produced isn’t merely chasing fleeting virality, but is designed to break down purchasing barriers and directly trigger a flow of commercial transactions.

To address the uncertainty surrounding this direct impact, the first intermediary pathway links Social Media Marketing to revenue through Service Quality. Service quality refers to users’ cognitive and affective evaluations of the dimensions of reliability, responsiveness, empathy, and assurance provided by the firm (Truong & Chen, 2025).

When SMM channels are effectively used to address complaints, identify emerging trends, and provide responsive feedback, they directly enhance the firm's service management operational efficiency. SMM acts as an antecedent that conditions and improves the quality of an organization's service infrastructure (Tajvidi & Karami, 2021). Furthermore, this superior service quality acts as a key driver of revenue by reducing the customer churn rate, increasing the frequency of repeat purchases, and building strong loyalty. Through this pathway, service quality functions as an operational mediator that ensures digital promises made on social media are brilliantly fulfilled in the physical world, thereby converting digital engagement into corporate cash flow (Tarnanidis et al., 2026).

The second mediating pathway in this model links Social Media Marketing to Revenue through the role of Customer Orientation. Customer orientation is not merely a short-term marketing strategy, but a deep-rooted business culture and philosophy that places customer interests, satisfaction, and value at the highest priority in every firm's decision (Hsu & Hu, 2024). Intensive digital interactions through SMM act as a catalyst that compels organizations to listen closely to users' voices, break down internal bureaucratic barriers, and shift the firm's orientation from a product-centric focus to a customer-centric one (Kamboj et al., 2018). Once this customer-oriented culture is firmly institutionalized, it becomes a key driver of revenue growth. This customer-centric culture works to break down price barriers in users' minds, reduce the cost of acquiring new customers, and extend customer lifetime value (Hsu & Hu, 2024). Thus, customer orientation functions as a cultural mediator that ensures a firm's digital marketing messages are supported by the organization's sincerity in solving users' real-world problems (Wang, 2020). This study rejects the simplistic direct-effect model by introducing a dual-path full-mediation model. It is this synergistic combination of operational efficiency (Service Quality) and cultural sincerity (Customer Orientation) that acts as a mechanistic processor to unravel the "black box" of digital marketing, while simultaneously ensuring that every unit of attention captured on social media is successfully converted into business revenue on the firm's financial statements. Visually, the overall theoretical integration, hypothetical directions, and flow of relationships among the variables proposed in this study are summarized in the conceptual framework presented in Figure 1.

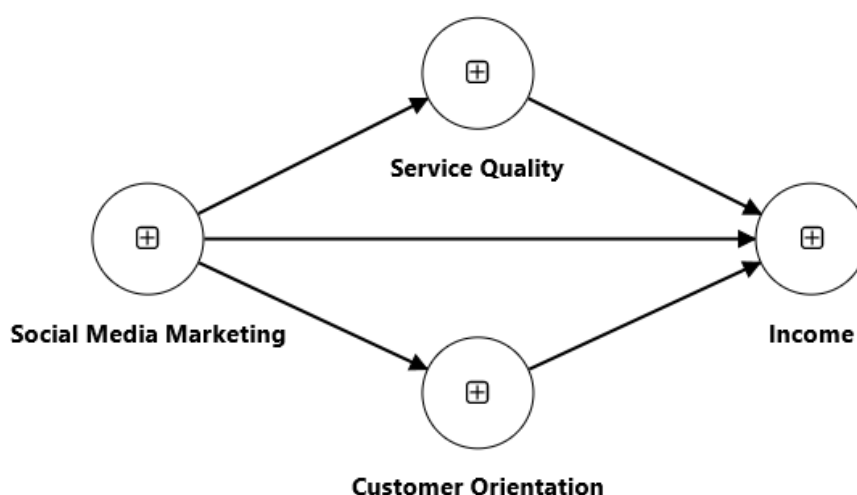


Figure 1 Research Framework

METHODS

This study employs an explanatory quantitative approach with a causal survey design to test the structural interactions among Social Media Marketing (SMM), Service Quality (SQ), Customer Orientation (CO), and Income (Inc). The target population in this study includes organizational units or consumers who interact directly with the company's digital marketing ecosystem. The sampling procedure was conducted using a non-probability sampling method through the online distribution of a structured questionnaire. The sample size was determined based on methodological recommendations regarding the statistical power of path analysis, which requires a minimum sample size to mitigate the risk of Type II errors in testing a multiple mediation model. The measurement scale adopted in this research instrument uses a Likert scale to measure respondents' perceptual responses to all statement items of the proposed variables.

All latent variables in this research model were operationalized into reflective indicators adopted from reputable literature on digital marketing and strategic management. Based on the model's measurement specifications, the Customer Orientation (CO) variable was measured using five reflective indicators (CO1 through CO5). The Income (Inc) variable is evaluated using six measurement indicators (Inc1 through Inc6) that represent the organization's financial growth and stability. Meanwhile, the Service Quality (SQ) variable is operationalized using four main reflective indicators (SQ1 through SQ4). Finally, the Social Media Marketing (SMM) variable is

comprehensively measured through six external indicators (SMM1 to SMM6). The use of multiple reflective indicators aims to ensure that all conceptual dimensions of each latent variable are adequately represented and possess a strong level of content validity prior to empirical model testing.

The data analysis method used to test the hypotheses and conceptual framework of this study is Partial Least Squares Structural Equation Modeling (PLS-SEM). The selection of PLS-SEM is based on its superior ability to handle complex structural models with multiple mediating paths simultaneously, without requiring strict assumptions of data normality. The data evaluation process consists of two main stages: measurement model analysis (outer model evaluation) and structural model analysis (inner model evaluation). The outer model evaluation stage focuses on testing whether the instrument meets validity and reliability criteria, which includes testing convergent validity through factor loadings and Average Variance Extracted (AVE), testing discriminant validity using the cross-loading matrix and the Heterotrait -Monotrait (HTM) ratios, and reliability testing using Cronbach's alpha, Composite Reliability (ρ_a), and Composite Reliability (ρ_c).

After the measurement model was found to meet all criteria for reliability and statistical validity, the analysis proceeded to the second stage: the evaluation of the structural model (inner model). This stage was designed to assess the model's predictive quality and test the significance of the hypothesized relationships between variables. Model fit criteria were evaluated using the Standardized Root Mean Square Residual (SRMR) and the Normed Fit Index (NFI) to ensure that the empirical model was consistent with the field data. Furthermore, the proportion of the endogenous variables' variance explained by the exogenous variables was measured using the R-squared (R^2) and adjusted R-squared values. Significance tests for direct path coefficients and specific indirect effects were conducted using non-parametric bootstrapping procedures. This algorithmic approach ensures that the strength and significance of the dual mediation effects of Service Quality and Customer Orientation can be robustly tested without statistical bias.

RESULT

This section presents the results of an empirical analysis designed to test a conceptual framework linking Social Media Marketing, Service Quality, Customer Orientation, and Income using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. The evaluation of the research results was conducted in two main stages, beginning with an assessment of the measurement model (outer model) to ensure that all instruments used met the criteria for statistical validity and reliability before hypothesis testing was performed. This testing of the measurement model included an evaluation of the convergent validity, construct reliability, and discriminant validity of each latent variable tested in the structural model.

Table 1 Cross Loading

	Customer Orientation	Income	Service Quality	Social Media Marketing
CO1	0.875	0.670	0.557	0.150
CO2	0.830	0.724	0.659	0.151
CO3	0.902	0.702	0.630	0.191
CO4	0.792	0.645	0.575	0.179
CO5	0.699	0.686	0.592	0.198
Inc1	0.666	0.804	0.651	0.253
Inc2	0.625	0.779	0.624	0.372
Inc3	0.764	0.876	0.796	0.183
Inc4	0.642	0.776	0.689	0.191
Inc5	0.764	0.889	0.814	0.246
Inc6	0.706	0.861	0.804	0.262
SQ1	0.579	0.766	0.869	0.262
SQ2	0.577	0.679	0.812	0.169
SQ3	0.552	0.687	0.833	0.203
SQ4	0.714	0.767	0.782	0.179
SMM1	0.112	0.181	0.136	0.821
SMM2	0.131	0.174	0.210	0.737
SMM3	0.146	0.237	0.169	0.884
SMM4	0.200	0.283	0.219	0.793
SMM5	0.228	0.300	0.248	0.889
SMM6	0.183	0.243	0.207	0.792

Source: Data Processed, 2026

The initial step in assessing discriminant validity involved analyzing the cross-loading values of each indicator in Table 1. The basic principle of the discriminant validity test using this criterion requires that an indicator's factor loading on its own latent variable must be greater than its loading on any other latent variable in the same

model. The data analysis results show that all reflective indicators used in this study have met the strict and ideal criteria for discriminant validity.

Based on the analysis results in Table 1, the five indicators for the Customer Orientation variable (CO1 through CO5) have the highest factor loadings in their respective columns, with values ranging from 0.699 to 0.902—far exceeding their correlation values in the columns of other variables. A very strong pattern of consistency is also demonstrated by the six indicators of the Income variable (Inc1 through Inc6), which recorded factor loadings ranging from 0.776 to 0.889 relative to the Income construct itself. For the Service Quality variable, its four indicators (SQ1 through SQ4) proved dominant within their respective columns, with loading values ranging from 0.782 to 0.869. Finally, the six indicators measuring Social Media Marketing (SMM1 through SMM6) convincingly exhibited loading factors ranging from 0.737 to 0.889 for the SMM construct. Since each item in this instrument was found to cluster appropriately within its respective parent variable and did not exhibit cross-loading issues with other constructs, it can be empirically concluded that each latent variable in this study possesses unique conceptual differentiation and very robust discriminant validity.

After cross-loading tests confirmed that each indicator clustered exclusively on its respective latent variable, the next crucial step in evaluating the measurement model is to test the internal validity and psychometric reliability of each construct through a Validity and Reliability Test. This evaluation is essential to ensure that the latent dimensions being measured possess a high degree of precision, are free from random measurement error, and exhibit robust internal consistency before proceeding to structural equation modeling. The statistical test parameters adopted include testing convergent validity via Average Variance Extracted (AVE), as well as assessing reliability through three complementary indicators simultaneously: Cronbach's alpha, composite reliability (ρ_a), and composite reliability (ρ_c). The overall estimates of reliability and convergent validity parameters are comprehensively summarized in Table 2.

Table 2 Validity and Reliability Test Result

Variables	Cronbach's alpha	Composite reliability	Composite reliability	AVE
Customer Orientation	0.878	0.879	0.912	0.676
Income	0.910	0.916	0.931	0.692
Service Quality	0.843	0.845	0.895	0.680
Social Media Marketing	0.903	0.919	0.925	0.674

Source: Data Processed, 2026

Based on the methodological thresholds agreed upon in the contemporary PLS-SEM literature, a variable is deemed to meet the criteria for convergent validity if its AVE value exceeds the conservative threshold of 0.50, indicating that the latent construct explains more than 50% of the variance in its constituent indicators. The results of the empirical analysis in Table 2 show that all latent variables have highly superior AVE values, well above this standard threshold. The Income variable recorded the highest variance explanatory capacity with an AVE value of 0.692, followed by Service Quality (0.680), Customer Orientation (0.676), and Social Media Marketing (0.674). This fact provides irrefutable empirical evidence that all reflective indicators used in this study successfully extracted the conceptual essence of each latent variable in a comprehensive and valid manner.

Simultaneously, the internal consistency reliability of this research instrument also demonstrated exceptional statistical performance. In accordance with standard criteria, Cronbach's alpha values, as well as the two Composite Reliability metrics (ρ_a) and (ρ_c) must exceed the critical value of 0.70 to be considered reliable in explanatory research. The constructs "Income" and "Social Media Marketing" exhibited the highest levels of consistency, with Cronbach's alpha values of 0.910 and 0.903, respectively, supported by (ρ_c) values of 0.931 and 0.925. For the constructs "Customer Orientation" and "Service Quality," the reliability levels were also found to be very stable and convincing, with ρ_c values of 0.912 and 0.895, respectively. The presence of (ρ_a) coefficients that consistently fall between the Cronbach's alpha and (ρ_c) values across all variables further reinforces that this measurement model is free from both underestimation and overestimation biases. Overall, the test results in Table 2 confirm that all latent constructs in this research model possess pure convergent validity and very robust reliability, thereby providing a secure and reliable data foundation for testing hypotheses in subsequent structural models.

Table 3 Heterotrait-monotrait ratio (HTMT)

	Heterotrait-monotrait ratio (HTMT)
Income <-> Customer Orientation	0.834
Service Quality <-> Customer Orientation	0.853
Service Quality <-> Income	0.899
Social Media Marketing <-> Customer Orientation	0.228
Social Media Marketing <-> Income	0.322
Social Media Marketing <-> Service Quality	0.275

Source: Data Proceed, 2026

Although cross-loading tests have provided good initial indications regarding the separation of indicators within each construct, contemporary PLS-SEM methodological literature strongly recommends the application of more modern and sensitive criteria to ensure discriminant validity, namely through Heterotrait-Monotrait Ratio (HTMT) analysis. The HTMT evaluation serves as a crucial confirmatory test to rigorously demonstrate that the latent variables in the structural model truly measure entirely distinct conceptual phenomena and do not suffer from conceptual overlap. Based on current statistical conventions, a conservative threshold used to indicate that discriminant validity has been adequately met is an HTMT ratio metric value below 0.90. The complete estimates of these inter-construct correlation ratios are presented transparently in Table 3.

Based on the empirical calculations summarized in Table 3, all HTMT ratios between variables in this study consistently fell below the critical threshold of 0.90. The highest ratio was recorded in the interaction between the Service Quality and Income variables, with a value of 0.899, followed by the relationship between Service Quality and Customer Orientation at 0.853, and the relationship between Income and Customer Orientation, which recorded a value of 0.834. Although the correlation values in this internal capabilities cluster are relatively high, these figures remain statistically within a safe range and meet the criteria for valid conceptual differentiation, thereby confirming that the operationalization of service quality, customer-oriented culture, and revenue performance are distinct theoretical entities. In the interaction cluster involving technology variables, the HTMT ratio values are significantly lower and highly ideal. The HTMT ratio between Social Media Marketing and Income is only 0.322, while the ratios of SMM to Service Quality and Customer Orientation each recorded very low values of 0.275 and 0.228, respectively. This very low ratio provides a strong empirical basis for the conclusion that social media marketing, as an external technological driver, has very clear conceptual boundaries and does not overlap with the organization's internal capabilities. Since all testing criteria in Table 3 fall below the standard thresholds, it can be concluded with a high degree of certainty that all constructs in this research model are free from multicollinearity issues and possess pure and robust discriminant validity at the conceptual level.

With the fulfillment of the entire series of tests on the measurement model (outer model) covering both construct reliability and convergent and discriminant validity data analysis can officially proceed to the structural model evaluation stage (inner model). The first step in evaluating the structural model is to assess the level of alignment and goodness of fit of the empirical model constructed using model fit parameters. This evaluation is crucial to confirm that the field data objectively support the proposed conceptual structure of double mediation. Model fit is assessed using two primary indicators: the Standardized Root Mean Square Residual (SRMR) and the Normed Fit Index (NFI), followed by an evaluation of the model's explanatory power via the R-squared (R^2) coefficient. The estimated values for model fit and the R^2 coefficient are presented in Table 4. Based on the model fit test results in Table 4, the SRMR value for the Saturated Model was 0.072. According to the PLS-SEM methodological standards (Henseler et al., 2016), a model is considered to have an acceptable fit if the SRMR value is below the tolerance threshold of 0.08. Thus, the SRMR value obtained confirms that specification bias in this model is minimal and that the hypothesized structure of relationships among variables is valid. Furthermore, the NFI (Normed Fit Index) value for the Saturated Model is 0.754. This value indicates that the proposed structural model has a fit of 75.4% relative to the baseline model an empirical achievement considered highly adequate for a complex conceptual model involving multiple mediation paths. Once the quality of the model fit was confirmed, the analysis focused on evaluating the model's predictive power using the R-squared (R^2) and adjusted R-squared values for each endogenous variable. The estimation results reveal a highly intriguing statistical phenomenon that reinforces the theoretical foundation of the Capability-Based View. The primary endogenous variable, Income, recorded a remarkably high R^2 value of 0.860 with an adjusted R^2 of 0.856.

Table 4 Model Fit

	Saturated model	Estimated model
SRMR	0.072	0.192
NFI	0.754	0.699

	R-square	R-square adjusted
Customer Orientation	0.045	0.037
Income	0.860	0.856
Service Quality	0.062	0.054

Source: Data Proceed, 2026

These figures empirically demonstrate that 86% of the variance in financial performance (Income) can be explained very accurately by the combined interaction of Social Media Marketing, Service Quality, and Customer Orientation within the model, while the remaining 14% is influenced by external factors not examined in this study. In contrast, the R^2 values for the internal capability variables acting as mediators show relatively low figures, with Service Quality recording a value of 0.062 (adjusted R^2 = 0.054) and Customer Orientation at 0.045 (adjusted R^2 = 0.037). From a methodological perspective, the low R^2 values for these mediator variables do not diminish the model's validity; rather, they reinforce the status of Social Media Marketing (SMM) as a concise external antecedent trigger. SMM is not designed to directly dominate the formation of an organization's internal culture; however, its modest leverage has proven to be absolutely capable of enhancing Service Quality and Customer Orientation, which

ultimately, through cumulative effects, dramatically boost the company's ability to generate income by up to 86%. This finding provides very strong preliminary statistical justification regarding the important role of the mediation path in bridging the gap between technology and financial gains, prior to conducting a significance test on the structural path coefficients.

After confirming the predictive quality and goodness of fit of the structural model (inner model), the next crucial step is to conduct direct effects hypothesis testing. This step aims to evaluate the strength, direction, and statistical significance of the direct linear relationships among the latent variables hypothesized in the conceptual model. This significance test is based on path coefficient values (Original Sample), T-statistics, and P-values obtained through a non-parametric bootstrapping algorithm with a 95% confidence level. A direct relationship is considered to have a statistically significant effect if the T-statistic value exceeds the critical value of 1.96 and the P-value is below the significance threshold of 0.05. The complete results of the direct structural path coefficient tests are summarized in detail in Table 5.

Based on the parameter estimation results presented in Table 5, internal organizational capability was found to have a very strong and significant direct effect on driving corporate financial performance. The direct effect of Service Quality on Income recorded the largest and most dominant path coefficient in the model, namely 0.566, with a very high T-statistic of 9.343 and a P-value of 0.000. These findings provide absolute empirical confirmation that the operational efficiency of actual service delivery in the field is the most decisive key driver in generating business revenue. Concurrently, the "Customer Orientation" variable also demonstrates a direct, positive, and highly significant influence on Income, with a path coefficient of 0.405, a T-statistic of 6.321, and a P-value of 0.000. The success of these two internal variables reinforces the philosophical tenet of modern marketing that reliable service delivery, supported by a people-oriented work culture, is a key pillar in securing a company's financial stability.

Testing the role of Social Media Marketing (SMM) as an external technological driver revealed highly intriguing structural findings. SMM was found to have a positive and significant direct effect on strengthening the organization's internal capabilities, both in operational and cultural aspects. Specifically, the direct effect of SMM on Service Quality yielded a coefficient of 0.248 (T-statistics = 3.149; P-values = 0.002), while the effect of SMM on Customer Orientation resulted in a coefficient of 0.212 (T-statistics = 2.312; P-values = 0.021). These figures empirically demonstrate that the strategic use of social media marketing serves as a key stimulus capable of training organizations to become more responsive in their service delivery and triggering a shift toward a work culture that is more centered on customer needs.

The most crucial statistical finding was observed in the direct relationship between Social Media Marketing and Revenue. The test results indicate that the direct effect of SMM on Revenue yielded a very weak path coefficient of 0.072, with a T-statistic of 1.889 and a P-value of 0.059. Since the T-statistic is below 1.96 and the P-value is above the critical threshold of 0.05, the hypothesis stating that social media marketing has a significant direct effect on increasing business revenue is empirically rejected.

The rejection of this direct path provides very strong statistical confirmation of the existence of the "digital attention paradox" in the field, while also offering a fundamental initial empirical justification that investment in social media technology cannot instantly and independently dictate financial gains. The methodological insignificance of this direct effect indicates that the relationship between SMM and income is not a direct linear one but rather requires the presence of a mediating variable. This statistical reality further underscores the urgency of testing indirect effects to determine whether Service Quality and Customer Orientation act as full mediators which are essential for bridging the gap between digital engagement and actual business revenue.

Table 5 Path Coefficients

	Original sample	T statistics	P values
Customer Orientation -> Income	0.405	6.321	0.000
Service Quality -> Income	0.566	9.343	0.000
Social Media Marketing -> Customer Orientation	0.212	2.312	0.021
Social Media Marketing -> Income	0.072	1.889	0.059
Social Media Marketing -> Service Quality	0.248	3.149	0.002

Source: Data Processed, 2026

As the final and most crucial stage in the evaluation of the structural model, the analysis focuses on testing specific indirect effects to demonstrate the mediating role of the organization's internal capabilities. Given that the results of the previous test in Table 5 confirmed that the direct effect of Social Media Marketing on Income was not significant, this test of indirect effects serves as the decisive factor in explaining the mechanism by which investment in social media technology can be converted into actual financial revenue. The significance of this mediation effect was evaluated based on the indirect path coefficient (Original Sample), T-statistics, and P-values generated through the bootstrapping procedure. The comprehensive results of these specific indirect effect estimates are summarized in Table 6.

Table 6 Specific Indirect Effects

	Original sample	T statistics	P values
Social Media Marketing -> Service Quality -> Income	0.140	3.005	0.003
Social Media Marketing -> Customer Orientation -> Income	0.086	2.138	0.033

Source: Data Proceed, 2026

Based on the results of the statistical analysis presented in Table 6, both mediation paths proposed in the model were found to have a positive and statistically significant indirect effect. In the first mediation path, Social Media Marketing activities were found to have a positive and significant effect on Income through the mediating variable of Service Quality, with an indirect effect coefficient of 0.140, a T-statistic of 3.005, and a P-value of 0.003. Judging by the magnitude of these parameters, this operational path which involves enhancing service quality is the most dominant digital conversion channel in generating company revenue. Concurrently, the second mediation path also yielded significant results, where SMM was found to have a positive effect on income through the mediating variable of customer orientation, with an indirect coefficient of 0.086, a T-statistic of 2.138, and a P-value of 0.033.

The combination of statistical findings in which the direct effect was found to be insignificant (Table 5), yet both specific indirect effects were found to be convincingly significant (Table 6) provides absolute scientific confirmation of the occurrence of Dual Full-Mediation in this structural model. This final finding demystifies the "black box" of digital conversion by empirically proving that Social Media Marketing has absolutely no independent ability to directly dictate or generate income.

The allure and energy of digital engagement generated on social media are entirely fleeting and will simply evaporate into sunk costs if an organization lacks adequate internal capabilities to bridge the gap. The conversion of online attention into sustainable real business revenue can only occur when the technological stimulus from SMM is effectively channeled to enhance the reliability of service operations (Service Quality) while simultaneously deepening a culture of sincerity centered on meeting human needs (Customer Orientation). Thus, the successful validation of the dual-mediation model in Table 6 officially concludes the series of analyses in the results chapter while providing a solid empirical foundation for proceeding to an in-depth theoretical discussion in the following chapter.

DISCUSSION

This study was comprehensively designed to uncover the internal organizational mechanisms that bridge digital technology investments to the achievement of sustainable financial excellence, while also addressing the long-standing theoretical debate regarding the direct effectiveness of Social Media Marketing (SMM) expenditures on income performance. A thorough evaluation of the structural model (inner model) in this study reveals a statistical reality that is crucial and fundamental to the development of contemporary management theory, in which the direct influence of Social Media Marketing on income is found to be statistically insignificant. This empirical reality provides very strong scientific confirmation of the actual existence of the "digital attention paradox" phenomenon in the modern industrial sphere. This phenomenon demonstrates that high levels of casual digital engagement metrics (vanity metrics) such as the number of likes, content shares, comments, followers, and even viral video views across various social media platforms in no way guarantee an instant transformation into a solid stream of commercial revenue on corporate financial statements. These results firmly refute the simplistic linear assumptions that have long been uncritically accepted by many industry practitioners and simultaneously reinforce the findings of (Saura et al., 2021). The literature emphasizes that social media platforms are, in essence, merely an initial medium of interaction with inherent structural limitations that prevent them from generating financial conversions on their own if they operate in isolation from a company's operational capabilities.

The theoretical insignificance of this direct influence pathway was brilliantly unraveled through the validation of a dual-path full-mediation model involving Service Quality and Customer Orientation as mediating variables. The successful validation of this specific indirect effect makes a massive contribution to the development and contextualization of the Capability-Based View (CBV) within the digital business landscape (Tajvidi & Karami, 2021). Based on the fundamental tenets of CBV, social media technologies and platforms are classified purely as static digital assets that are very easy for competitors in the market to purchase, replicate, or simulate, and therefore cannot serve as the sole source of long-term competitive advantage. The true strategic value of these digital assets is realized only when a firm possesses the internal organizational capabilities to configure, integrate, and deploy these technological resources to respond agilely to the dynamics of market needs. In this research model, SMM acts as an external driver (antecedent trigger) tasked with capturing public attention, exploiting market information asymmetries, and gathering data on consumer expectations. When the digital interaction and engagement data from SMM is effectively channeled into the organization, it serves as the primary fuel for activating and configuring two key internal capabilities: the reliability of the value-delivery operational system (Service Quality) and a human-centered work culture philosophy (Customer Orientation). It is this combination of integrated interactions that, cumulatively, dramatically boosts the company's ability to generate business revenue, as

evidenced by the extremely high R-squared (R^2) coefficient for the “Income” variable, which reached 0.860. This figure provides irrefutable empirical evidence that 86% of the variance in the company’s financial performance (Income) is very accurately determined by the harmonious integration of external social media stimulation with the strength of the organization’s internal capabilities.

The first mediation path, which passes through the Service Quality variable, proved to be the most dominant digital conversion channel and exhibited exceptionally high influence in this structural model. The direct effect of SMM on Service Quality was found to be significant at 0.248, followed by a massive direct effect of Service Quality on Income of 0.566. The specific indirect effect generated through this pathway reached a coefficient of 0.140 with a very robust T-statistic value of 3.005. Critically, these findings reveal that the primary strategic value of social media marketing activities lies not in aggressive direct sales, but in building the organization’s capacity to become more responsive, attentive, and precise in delivering actual services on the ground. Social media platforms provide real-time communication channels that enable companies to detect customer complaints, monitor shifting expectations, and respond to dissatisfaction instantly. When this digital feedback is addressed with tangible improvements in the areas of reliability, empathy, responsiveness, and both physical and systemic service guarantees, consumers’ perception of service quality will improve dramatically. In line with the contemporary argument put forth by [Truong & Chen \(2025\)](#), the delivery of superior service quality acts as an operational anchor that effectively reduces the customer churn rate, drives high repurchase frequency, and fosters strong loyalty. It is this operational efficiency that ultimately and directly secures the stability of a company’s financial revenue stream (Income). Conversely, if the quality of internal operational service is fragile, all the hype, aesthetics, and virality of expensive social media campaigns will merely turn into a “publicity disaster” that accelerates the decline of the company’s financial reputation due to the phenomenon of mass consumer complaints spreading online (negative word-of-mouth).

The second mediation pathway, through the Customer Orientation variable, provides a cultural and philosophical foundation that is crucial for strengthening and sustaining this digital conversion efficiency. The estimation results show that SMM has a positive and significant effect on Customer Orientation of 0.212, which in turn directly drives an increase in Income of 0.405. The specific indirect effect generated through the culture channel is significant at 0.086, with a T-statistic of 2.138. From a strategic management perspective, the transparent, equal, and intimate space for interaction on social media acts as a change agent that compels organizations to dismantle the egos of internal, siloed bureaucracy and shift their business orientation from a product-centric focus to a radically transformed, customer-centric one ([Kamboj et al., 2018](#)). Once this customer-oriented culture has been deeply internalized into the very fabric of the organization, the company’s approach to utilizing social media will undergo a cognitive evolution. The content, narratives, and interactive programs presented on social media are no longer designed in a manipulative or self-serving manner to chase fleeting popularity metrics, but are instead fully focused on delivering authentic value, education, and empathetic solutions that directly address the real-life problems of their customer community. According to the postulate by [Hsu & Hu \(2024\)](#), This culture of genuine and visible care builds psychological equity and deep consumer trust long before any formal transaction begins. When these emotionally nurtured customers decide to make a purchase, they do so with a very high level of brand commitment, which drastically reduces price resistance, lowers the cost of acquiring new customers, and extends customer lifetime value significantly multiplying the company’s revenue.

It is this synergistic integration between the reliability of the physical service delivery system (Service Quality) and the sincerity of the organization’s culture of care (Customer Orientation) that has fully and thoroughly succeeded in unraveling the “black box” of digital marketing a mystery that has long puzzled academics and executives at global companies. The scientific fact that the R-squared values for Service Quality (0.062) and Customer Orientation (0.045) are relatively low, yet are able to drive the R-squared value for Income to reach a remarkable 0.860, constitutes a highly elegant theoretical finding in this study. This dynamic proves that Social Media Marketing (SMM) functions purely as a concise external antecedent trigger. SMM is not designed to overhaul or dominate the entirety of an organization’s internal structure; however, its modest leverage has been proven to be absolutely essential for activating a company’s internal capabilities. Without the simultaneous activation of service quality and a customer-oriented culture, the digital attention generated by social media will simply evaporate into sunk costs that are detrimental to the corporation. Overall, the discovery of this dual full-mediation model confirms a new paradigm shift in marketing theory: financial success in the digital economy is not determined by how loudly, aesthetically, or virally a company voices itself on social media, but rather depends entirely on the readiness, resilience, and alignment of the organization’s internal human capabilities in absorbing, managing, and processing this abundance of digital attention into satisfying and human-centered real-world commercial transactions. This study successfully resolves the digital attention paradox while offering a definitive strategic roadmap for modern organizations to transform fleeting virtual interactions into permanent, stable, and sustainable business revenue growth reflected in corporate financial statements.

CONCLUSION

This study successfully uncovered the internal organizational mechanisms that bridge digital technology investment to financial performance, while also unraveling the “digital attention paradox.” Based on the results of

an empirical analysis using PLS-SEM, this study concludes that Social Media Marketing (SMM) does not have a significant direct effect on increasing a company's revenue. This finding refutes conventional linear assumptions and proves that popularity or the level of digital engagement on social media cannot be instantly converted into revenue growth in corporate financial statements.

The strategic impact of social media marketing on business revenue can only be fully realized through the validation of the Dual Full-Mediation Model, which involves Service Quality and Customer Orientation as mediating variables. SMM functions purely as an external trigger (antecedent trigger) that gathers market information and captures consumer attention. This digital stimulus must then be channeled into the organization to simultaneously activate two key internal capabilities: the reliability of the value-delivery operational system (Service Quality) and the internalization of a work culture philosophy focused on sincere, human-centered solutions (Customer Orientation). It is this synergy between operational service efficiency and a strong customer-oriented culture that, cumulatively, has succeeded in converting fleeting digital attention into legitimate commercial transactions accounting for 86% of the variance in revenue growth.

This study expands the scope of the Capability-Based View (CBV) by asserting that the economic value of technological assets is illusory if they stand in isolation without integration with the organization's internal human capabilities. In practical terms, this study provides a definitive roadmap for modern executives: the success of digital transformation is not determined by how loudly a company makes its voice heard in the digital realm, but rather by how well-prepared the company's service infrastructure and internal culture are to manage that abundance of digital attention and transform it into tangible, sustainable, and profitable customer experiences.

AUTHOR'S CONTRIBUTION

The author was solely responsible for the conceptualization and development of the research framework, methodological design, data collection, empirical analysis, and interpretation of the findings. The author also prepared, reviewed, and critically refined the manuscript, and takes full responsibility for the integrity and accuracy of the research and its final published version.

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CONFLICT OF INTEREST STATEMENT

The author declares that there are no financial, professional, institutional, or personal interests that could be perceived as influencing the research process, analysis, interpretation of the findings, or publication of this manuscript.

RESEARCH ETHICS STATEMENT

This study involved respondents who voluntarily participated in an online questionnaire survey. Participation was entirely voluntary, and respondents were informed of the general purpose of the study and the use of the collected information for academic research purposes before completing the questionnaire. Informed consent was obtained prior to participation, and respondents were free to decline participation or discontinue their involvement at any stage. The survey was administered in a manner that protected respondents' privacy and confidentiality, and the information collected was used solely for research purposes. No personally identifiable information was disclosed in the reporting of the findings. The study was conducted in accordance with generally accepted ethical principles governing research involving human participants.

AI USAGE STATEMENT

Generative artificial intelligence (AI) was used exclusively as a language-support tool during the preparation of this manuscript. Specifically, OpenAI ChatGPT was employed to assist with language refinement, grammatical correction, sentence restructuring, and improvement of the clarity and coherence of the academic writing. AI tools were not used to collect or generate research data, perform statistical analyses, determine the empirical results, or independently develop the study's theoretical conclusions. All AI-assisted text was critically reviewed, verified against the original research materials, and revised by the author, who retains full responsibility for the content, accuracy, interpretation, and conclusions presented in the manuscript.

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