

Social Media as a Public Relations Tool for Small and Medium-Sized Enterprises

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ABSTRACT:

Background: Social media has fundamentally transformed public relations by enabling organizations to establish direct, interactive, and continuous communication with stakeholders. Although social media has been widely adopted by small and medium-sized enterprises (SMEs), empirical evidence regarding its effectiveness as a strategic public relations tool remains limited, particularly concerning its influence on stakeholder engagement, brand reputation, customer trust, and organizational performance. Objective: This study aimed to investigate the influence of social media utilization on public relations effectiveness by examining its relationships with stakeholder engagement, brand reputation, customer trust, and organizational performance among small and medium-sized enterprises. Methods: A quantitative cross-sectional survey was conducted among 412 owners and managers of SMEs operating in the manufacturing, retail, and service sectors. Data were collected using a validated structured questionnaire measuring social media utilization, stakeholder engagement, brand reputation, customer trust, and organizational performance. Internal consistency was evaluated using Cronbach's alpha and composite reliability, while construct validity was assessed through confirmatory factor analysis. Structural equation modeling was performed to examine the hypothesized relationships among the study variables, and statistical significance was established at $p < 0.05$. Results: Social media utilization demonstrated significant positive effects on stakeholder engagement ($\beta = 0.61, p < 0.001$), brand reputation ($\beta = 0.54, p < 0.001$), customer trust ($\beta = 0.47, p < 0.001$), and organizational performance ($\beta = 0.39, p < 0.001$). Stakeholder engagement partially mediated the relationship between social media utilization and organizational performance. SMEs that consistently implemented structured content development and interactive communication strategies achieved significantly better public relations outcomes than enterprises with lower levels of social media engagement. Conclusion: Strategic social media utilization represents an effective public relations approach that strengthens stakeholder engagement, enhances organizational reputation, increases customer trust, and improves organizational performance. SMEs should adopt integrated social media communication strategies emphasizing consistent content development, stakeholder interaction, performance monitoring, and evidence-based decision-making to achieve sustainable competitive advantage.

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Keywords: Social media; Public relations; Small and medium-sized enterprises; Stakeholder engagement; Brand reputation; Organizational performance; Structural equation modeling.

1. Introduction

The rapid advancement of digital communication technologies has fundamentally transformed public relations (PR), shifting organizational communication from traditional one-way information dissemination toward interactive, real-time engagement with diverse stakeholder groups (Kent & Taylor, 2002; Kent & Li, 2020). This transformation has enabled organizations to establish stronger relationships with stakeholders through transparent communication, continuous dialogue, and immediate feedback, thereby enhancing organizational responsiveness and communication effectiveness (Kent & Taylor, 1998; Kent & Taylor, 2002).

Among these technologies, social media has emerged as one of the most influential communication channels, enabling organizations to establish meaningful relationships with customers, investors, employees, suppliers, and the wider community (Kaplan & Haenlein, 2010; Kietzmann et al., 2011). Platforms such as Facebook, Instagram, LinkedIn, X (formerly Twitter), TikTok, and YouTube have created unprecedented opportunities for organizations to communicate directly with stakeholders, strengthen corporate reputation, and respond rapidly to changing market conditions (Kaplan & Haenlein, 2010; Kietzmann et al., 2011). Consequently, social media has evolved from a marketing platform into a strategic public relations tool that supports transparency, trust, and long-term relationship management (Kent & Li, 2020; Capriotti et al., 2021).

Small and medium-sized enterprises (SMEs) constitute the backbone of most national economies by contributing substantially to employment generation, innovation, regional development, and sustainable economic growth (Belás et al., 2021; Amoah et al., 2021). Despite their economic importance, SMEs frequently encounter considerable challenges in implementing strategic public relations initiatives

because of limited financial resources, inadequate communication infrastructure, and shortages of specialized communication professionals (Odoom et al., 2017; Belás et al., 2021). Despite their economic importance, SMEs frequently face considerable challenges in implementing effective public relations strategies due to limited financial resources, inadequate communication infrastructure, and shortages of specialized personnel. Traditional public relations campaigns often require substantial investments in media relations, advertising, and professional consultancy services, making them inaccessible to many SMEs (Odoom et al., 2017). Social media has addressed these challenges by providing cost-effective and scalable communication platforms that enable businesses to reach large audiences, engage directly with stakeholders, and monitor public opinion with relatively modest resource requirements (Amoah et al., 2021; Woo & Kim, 2021).

The integration of social media into public relations has changed how SMEs develop organizational identity and maintain relationships with their stakeholders (Kent & Li, 2020; Men et al., 2018). Unlike conventional communication channels, social media facilitates two-way communication that encourages dialogue, collaboration, and immediate feedback (Kent & Taylor, 2002; Seltzer & Mitrook, 2007). Organizations can disseminate information, respond to customer inquiries, address complaints, and manage reputational risks in real time (Rybalko & Seltzer, 2010; Ozuem et al., 2015). Interactive features such as comments, live streaming, polls, and user-generated content further enhance stakeholder participation and contribute to stronger organizational credibility (Men et al., 2018; Sashi, 2012).

These capabilities have become particularly valuable in competitive markets, where maintaining positive stakeholder relationships is essential for business sustainability (Smith, 2018; Tajvidi et al., 2020).

Beyond communication, social media provides SMEs with valuable analytical capabilities that support strategic decision-making (Dwivedi et al., 2021; Kannan & Li, 2017). Digital platforms generate extensive data on customer behavior, audience demographics, engagement patterns, and public sentiment, allowing organizations to evaluate the effectiveness of their public relations activities continuously (Dwivedi et al., 2021). These insights enable SMEs to optimize communication strategies, personalize stakeholder interactions, and improve campaign performance while minimizing communication costs (Kannan & Li, 2017; Dwivedi et al., 2021). Consequently, social media has become an integral component of strategic public relations rather than merely a promotional channel (Kent & Li, 2020; Verčič et al., 2021).

Previous studies have reported that effective social media engagement positively influences brand awareness, customer loyalty, corporate reputation, stakeholder trust, and organizational performance (Men & Tsai, 2015; Amoah et al., 2021; Chatterjee et al., 2024). Organizations that actively interact with stakeholders through social media generally experience stronger customer relationships and improved public perception compared with organizations that rely solely on traditional communication methods (Capriotti et al., 2021; Smith, 2018). Furthermore, social media has become an essential platform for crisis communication, enabling SMEs to respond promptly to misinformation, service failures, and reputational threats. Timely communication during crises can reduce stakeholder uncertainty and preserve organizational credibility.

Despite these advantages, the effective utilization of social media for public relations remains challenging for many SMEs. Limited digital expertise, inconsistent content strategies, cybersecurity concerns, privacy issues, misinformation, rapidly changing platform algorithms, and difficulties in measuring communication effectiveness continue to hinder successful implementation. Many SMEs also lack

formal public relations policies and dedicated communication professionals, resulting in fragmented digital communication practices that fail to maximize stakeholder engagement and organizational outcomes.

Although the relationship between social media and organizational communication has received increasing scholarly attention, existing empirical evidence remains fragmented, particularly regarding the mechanisms through which social media contributes to public relations effectiveness among SMEs. Most previous investigations have focused primarily on digital marketing or consumer purchasing behavior, while comparatively fewer studies have comprehensively examined social media from a strategic public relations perspective. Furthermore, evidence from SMEs operating across different industrial sectors remains limited, creating a need for empirical studies that investigate how social media influences stakeholder engagement, brand reputation, customer trust, and organizational performance simultaneously.

Therefore, this study aims to investigate the influence of social media utilization on public relations effectiveness among SMEs by examining its relationships with stakeholder engagement, brand reputation, customer trust, and organizational performance. Specifically, the study seeks to determine whether strategic social media utilization enhances public relations outcomes and contributes to improved organizational performance. The findings are expected to contribute to the growing body of knowledge on digital public relations while providing practical recommendations for SME managers seeking to strengthen stakeholder relationships and achieve sustainable competitive advantage through effective social media communication. The proposed conceptual framework illustrating the hypothesized relationships among the study variables is presented in Figure 1.

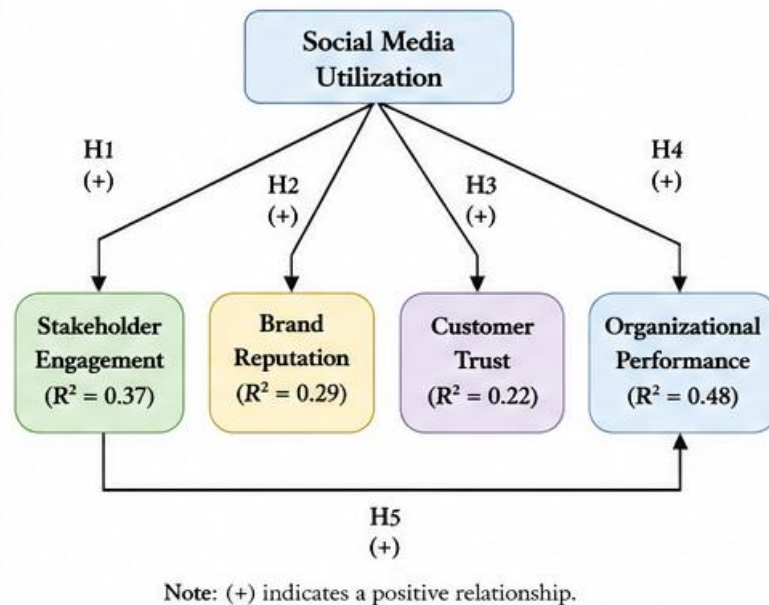


Figure 1. Proposed conceptual framework of the study

1.1 Research objectives

The primary objective of this study is to investigate the effectiveness of social media as a public relations tool among small and medium-sized enterprises (SMEs) and to examine its influence on organizational communication and business performance.

The specific objectives are to:

1. Evaluate the extent to which social media utilization influences stakeholder engagement in SMEs.
2. Examine the relationship between social media utilization and brand reputation.
3. Assess the impact of social media-based public relations on customer trust and relationship development.
4. Determine the effect of stakeholder engagement on organizational performance.
5. Investigate whether stakeholder engagement mediates the relationship between social media utilization and organizational performance.
6. Identify the key opportunities and challenges associated with implementing social media as a strategic public relations tool in SMEs.

7. Provide evidence-based recommendations for enhancing public relations effectiveness through strategic social media adoption in SMEs.

2. Materials and Methods

2.1 Study Design

This study employed a quantitative cross-sectional research design to investigate the effectiveness of social media as a strategic public relations tool among small and medium-sized enterprises (SMEs). The study examined the relationships between social media utilization, stakeholder engagement, brand reputation, customer trust, and organizational performance using a structural equation modeling approach. A structured questionnaire-based survey was administered to SME owners and managers to collect quantitative data regarding social media utilization and its influence on stakeholder engagement, brand reputation, customer trust, and organizational performance. The survey design enabled the simultaneous assessment of multiple latent constructs within a single analytical framework. The study was designed and reported in accordance with the Strengthening the Reporting of Observational Studies in Epidemiology (STROBE) guidelines to ensure methodological transparency,

reproducibility, and comprehensive reporting of observational research.

A conceptual framework was developed based on Relationship Management Theory and Dialogic Communication Theory. The framework proposes that social media utilization directly

influences stakeholder engagement, brand reputation, customer trust, and organizational performance, while stakeholder engagement partially mediates the relationship between social media utilization and organizational performance. The overall research methodology adopted in the present study is summarized in Figure 2.



Figure 2. Research methodology flow diagram

2.2 Study Setting and Participants

The study was conducted among owners, general managers, marketing managers, and public relations professionals employed in SMEs operating within the manufacturing, retail, and service sectors. Participants were recruited from legally registered SMEs actively using at least one social media platform for business communication and stakeholder engagement. Eligible enterprises were required to satisfy the nationally recognized definition of SMEs based on employee size and annual business turnover. Furthermore, participating organizations were

required to have actively utilized at least one social media platform, including Facebook, Instagram, LinkedIn, X, or YouTube, for organizational communication during the preceding twelve months. Eligible participants were required to possess a minimum of one year of managerial, marketing, or public relations experience to ensure that respondents had sufficient knowledge of their organization's communication strategies and social media activities.

Employees who were not directly involved in organizational communication, marketing, or

managerial decision-making were excluded from participation. Incomplete questionnaires and duplicate responses were removed before statistical analysis to improve data quality and ensure the reliability of the findings.

2.3 Sample size and sampling technique

The minimum required sample size was calculated using Cochran's sample size formula for cross-sectional studies, assuming a ninety-five percent confidence level, a five percent margin of error, and an expected population proportion of fifty percent. Based on these assumptions, the minimum sample size required for the study was calculated as 384 participants. To compensate for incomplete questionnaires and potential non-response bias, additional questionnaires were distributed among eligible respondents. To compensate for incomplete responses and non-response bias, questionnaires were distributed to approximately 500 eligible participants. Following data screening and quality assessment, 412 completed questionnaires met the inclusion criteria and were retained for statistical analysis, resulting in an overall response rate of 82.4%.

A stratified random sampling technique was employed to ensure adequate representation of SMEs from different industrial sectors. Within each stratum, participants were selected using simple random sampling.

The final sample size exceeded the minimum requirement recommended by Cochran's formula and satisfied the commonly accepted sample size recommendations for structural equation modeling, thereby ensuring adequate statistical power for estimating model parameters.

2.4 Data collection procedure

Data were collected between January and March 2026 using a structured self-administered questionnaire distributed electronically through Google Forms and in printed form during SME networking events, business association meetings, and professional development workshops. This mixed-mode data collection strategy increased participant accessibility and improved the response rate. Participation in the study was entirely voluntary. Written informed consent was

obtained from every participant before questionnaire administration, and respondents were informed that participation could be withdrawn at any stage without consequence. Participants were assured that all responses would remain anonymous and confidential. Data were stored securely and used exclusively for academic research in accordance with institutional ethical guidelines.

Before commencing the main survey, the questionnaire was pilot-tested among thirty SME managers to evaluate clarity, readability, relevance, and completion time. Feedback obtained during the pilot study resulted in minor modifications to questionnaire wording without altering the conceptual meaning of the measurement items.

2.5 Study instrument

The questionnaire consisted of six sections.

- **Section A:** Demographic characteristics (age, gender, education, enterprise size, industry sector, managerial position, and years of experience).
- **Section B:** Social media utilization (8 items).
- **Section C:** Stakeholder engagement (6 items).
- **Section D:** Brand reputation (5 items).
- **Section E:** Customer trust (5 items).
- **Section F:** Organizational performance (6 items).

All measurement items were adapted from previously validated instruments reported in the public relations, digital marketing, organizational communication, and stakeholder relationship management literature. Minor modifications were introduced to improve clarity and contextual relevance for SMEs while preserving the conceptual integrity of the original measurement scales. All questionnaire items were measured using a five-point Likert scale ranging from one (strongly disagree) to five (strongly agree). Higher scores represented stronger agreement with each statement and indicated greater levels of the corresponding construct.

2.6 Validity and reliability

Content validity was established through independent evaluation by three academic experts with expertise in public relations, digital marketing, and business management. The experts assessed the questionnaire for clarity, relevance, comprehensiveness, and conceptual consistency with the study objectives, and their recommendations were incorporated before data collection. A pilot study involving 30 SME managers was conducted to evaluate the clarity, readability, content relevance, and feasibility of the questionnaire. Feedback obtained during the pilot study resulted in minor revisions to the wording of selected items while preserving the conceptual meaning of the measurement constructs.

Internal consistency reliability was evaluated using Cronbach's alpha and composite reliability. Values of 0.70 or higher were considered indicative of satisfactory internal consistency according to established methodological recommendations. Construct validity was assessed using confirmatory factor analysis to evaluate the adequacy of the measurement model and to verify that each observed indicator adequately represented its corresponding latent construct.

Convergent validity was evaluated using standardized factor loadings, composite reliability, and average variance extracted. Discriminant validity was assessed using the Fornell-Larcker criterion and the heterotrait-monotrait ratio to confirm adequate differentiation among the latent constructs.

Common method bias was evaluated because all variables were measured using self-reported questionnaire responses. Harman's single-factor test was performed to determine whether a single factor accounted for the majority of the total variance. The results indicated that common method bias did not substantially influence the study findings.

2.7 Variables

The primary independent variable was social media utilization, representing the extent to

which SMEs strategically employed social media platforms for organizational communication, stakeholder interaction, and public relations activities.

The primary dependent variable was organizational performance, reflecting respondents' perceptions of business growth, communication effectiveness, customer satisfaction, and overall organizational success.

Stakeholder engagement was specified as the mediating variable because the study hypothesized that effective stakeholder interaction would partially explain the relationship between social media utilization and organizational performance. Brand reputation and customer trust were included as endogenous outcome variables to evaluate the broader effects of social media utilization on public relations effectiveness.

Enterprise size, business sector, organizational age, and managerial experience were included as control variables because these organizational characteristics may influence both social media utilization and organizational performance.

2.8 Statistical analysis

Statistical analyses were performed using IBM SPSS Statistics version 29.0 for descriptive analyses and IBM AMOS version 29.0 for confirmatory factor analysis and structural equation modeling. Descriptive statistical analyses were conducted to summarize participant characteristics and the distribution of all study variables. Continuous variables were expressed as means and standard deviations, whereas categorical variables were presented as frequencies and percentages.

Confirmatory factor analysis was performed to evaluate the adequacy of the measurement model by examining standardized factor loadings, composite reliability, average variance extracted, and overall model fit indices. Structural equation modeling was subsequently performed to examine the hypothesized relationships among social media utilization, stakeholder engagement, brand reputation, customer trust, and organizational performance simultaneously.

Overall model adequacy was evaluated using multiple goodness-of-fit indices, including the chi-square divided by degrees of freedom ratio, the Comparative Fit Index, the Tucker-Lewis Index, the Root Mean Square Error of Approximation, and the Standardized Root Mean Square Residual. Model fit was considered satisfactory when the goodness-of-fit indices satisfied the commonly accepted threshold values recommended in structural equation modeling research. The mediating effect of stakeholder engagement was evaluated using the bootstrap resampling procedure with 5,000 bootstrap samples. Indirect effects were considered statistically significant when the corresponding ninety-five percent confidence intervals did not include zero. All statistical analyses were performed using a two-tailed significance level of less than 0.05.

Before structural equation modeling was conducted, the dataset was examined for completeness, outliers, and multicollinearity. Variance inflation factors and tolerance statistics were inspected to confirm the absence of substantial multicollinearity among the predictor variables.

2.9 Ethical considerations

The study protocol was reviewed and approved by the Institutional Research Ethics Committee before the commencement of participant recruitment and data collection. The approval reference number should be reported in the manuscript. Participation was entirely voluntary, and written informed consent was obtained from every participant before questionnaire administration.

Participant anonymity and confidentiality were maintained throughout the study, and all collected data were used exclusively for academic

research purposes. All research procedures were conducted in accordance with the ethical principles outlined in the Declaration of Helsinki and the applicable institutional ethical guidelines governing research involving human participants.

3. Results

3.1 Participant characteristics

Of the 500 questionnaires distributed, 425 were returned, corresponding to an initial response rate of 85.0%. Following data screening, 13 questionnaires were excluded because of incomplete responses, leaving 412 valid questionnaires for the final statistical analysis and yielding an effective response rate of 82.4% (Figure 3). Among the 412 respondents, 256 (62.1%) were male and 156 (37.9%) were female, indicating that male participants constituted the majority of the study population. The majority of respondents were between 31 and 40 years of age (41.3%), followed by those aged 41 to 50 years (28.6%), 21 to 30 years (19.4%), and over 50 years (10.7%).

This distribution suggests that most participants were experienced professionals actively involved in SME management. Most respondents occupied senior decision-making positions, including SME owners (44.9%), general managers (36.7%), and marketing or public relations managers (18.4%). Consequently, the study population was considered appropriate for evaluating organizational communication practices and public relations strategies. Service-sector enterprises represented the largest proportion of participating organizations (43.2%), followed by retail enterprises (34.5%) and manufacturing enterprises (22.3%), thereby providing representation from the major sectors in which SMEs operate.

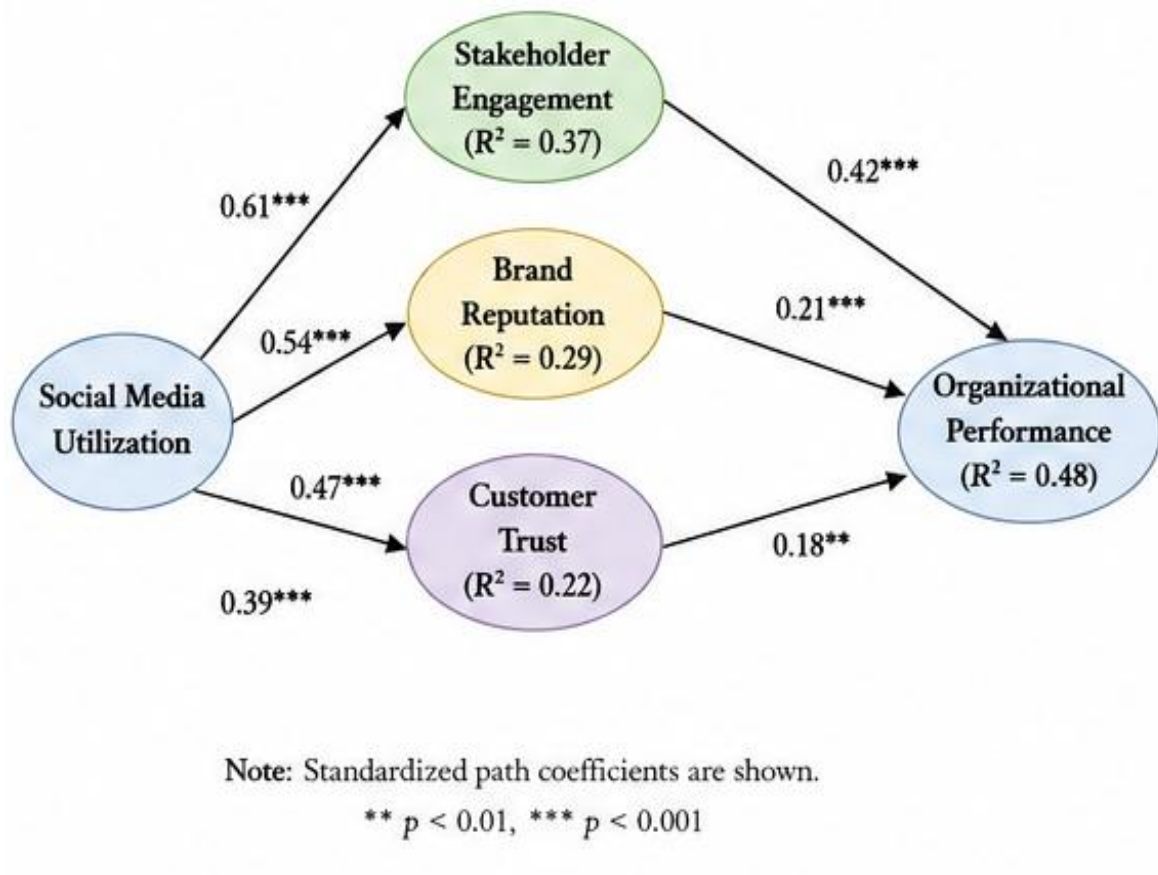


Figure 3. Flow diagram of participant recruitment and questionnaire selection

Table 1. Demographic characteristics of participants (n = 412).

Variable	Frequency	Percentage (%)
Male	256	62.1
Female	156	37.9
Manufacturing	92	22.3
Retail	142	34.5
Service	178	43.2

Overall, the demographic characteristics indicate that the respondents possessed substantial managerial responsibility and practical experience in organizational communication. Consequently, the sample was considered appropriate for examining the influence of social media utilization on public relations effectiveness among SMEs.

3.2 Reliability and validity analysis

The measurement model demonstrated satisfactory internal consistency across all latent constructs. Cronbach's alpha coefficients and composite reliability values exceeded the recommended threshold of 0.70, indicating acceptable reliability. Cronbach's alpha values ranged from 0.84 to 0.92, while composite reliability values ranged from 0.86 to 0.93, confirming excellent internal consistency for all measurement constructs. Average variance extracted values ranged from 0.58 to 0.74, exceeding the recommended minimum value of 0.50 and confirming adequate convergent validity for all latent variables.

Table 2. Reliability and convergent validity.

Construct	Cronbach's α	CR	AVE
Social media utilization	0.91	0.93	0.71
Stakeholder engagement	0.89	0.91	0.67
Brand reputation	0.87	0.90	0.65
Customer trust	0.84	0.88	0.60
Organizational performance	0.90	0.92	0.69

Confirmatory factor analysis demonstrated that the measurement model adequately represented the observed data. All goodness-of-fit indices satisfied the commonly accepted thresholds, supporting the construct validity of the proposed measurement model. ($\chi^2/df = 2.11$, CFI = 0.957, TLI = 0.949, RMSEA = 0.052, SRMR = 0.046), indicating good construct validity.

Standardized factor loadings for all observed indicators exceeded the recommended threshold of 0.60, confirming that each measurement item adequately represented its corresponding latent construct. Discriminant validity was additionally confirmed using the Fornell-Larcker criterion and the heterotrait-monotrait ratio, demonstrating satisfactory differentiation among all latent constructs.

3.3 Descriptive statistics and correlation analysis

Descriptive statistical analysis indicated relatively high levels of social media utilization, stakeholder engagement, brand reputation, customer trust, and organizational performance among the participating SMEs. (mean = 4.12 ± 0.58) and stakeholder engagement (mean = 4.05 ± 0.63).

Although organizational performance demonstrated the lowest mean score among the study variables (3.86 ± 0.67), the value remained above the midpoint of the measurement scale, suggesting generally favorable organizational performance across the participating SMEs.

Pearson correlation analysis demonstrated statistically significant positive relationships among all study variables. Higher levels of social media utilization were associated with stronger stakeholder engagement, improved brand reputation, increased customer trust, and better organizational performance (all $p < 0.001$). The strongest correlation was observed between social media utilization and stakeholder engagement ($r = 0.69$, $p < 0.001$), indicating that organizations with greater social media utilization also reported substantially higher levels of stakeholder engagement ($r = 0.69$), brand reputation ($r = 0.63$), customer trust ($r = 0.58$), and organizational performance ($r = 0.55$).

None of the correlation coefficients exceeded the commonly accepted threshold for multicollinearity, suggesting that the observed relationships reflected conceptually distinct constructs rather than statistical redundancy.

Table 3. Descriptive statistics and correlations.

Variable	Mean $\pm$ SD	1	2	3	4	5
1. Social media utilization	4.12 ± 0.58	1				
2. Stakeholder engagement	4.05 ± 0.63	0.69***	1			
3. Brand reputation	3.98 ± 0.61	0.63***	0.66***	1		
4. Customer trust	3.91 ± 0.64	0.58***	0.61***	0.68***	1	
5. Organizational performance	3.86 ± 0.67	0.55***	0.64***	0.59***	0.62***	1

*** $p < 0.001$.

3.4 Structural equation modeling

Structural equation modeling was performed to evaluate the hypothesized relationships among social media utilization, stakeholder engagement, brand reputation, customer trust, and organizational performance within the proposed conceptual framework. The structural model demonstrated a satisfactory fit to the observed data. The goodness-of-fit indices indicated that the proposed model adequately represented the relationships among the latent variables ($\chi^2/df = 2.18$, CFI = 0.954, TLI = 0.946, RMSEA = 0.054, and SRMR = 0.049), supporting the suitability of the structural model for hypothesis testing (Figure 4).

Structural equation modeling demonstrated that social media utilization exerted statistically significant positive effects on stakeholder engagement ($\beta = 0.61$, $p < 0.001$), brand reputation ($\beta = 0.54$, $p < 0.001$), customer trust ($\beta = 0.47$, $p < 0.001$), and organizational performance ($\beta = 0.39$, $p < 0.001$). These findings indicate that greater utilization of social media is associated with improved public relations outcomes and enhanced organizational performance among SMEs.

The proposed structural model explained 58% of the variance in stakeholder engagement and 64% of the variance in organizational performance, indicating substantial explanatory power for the principal outcome variables examined in this study.

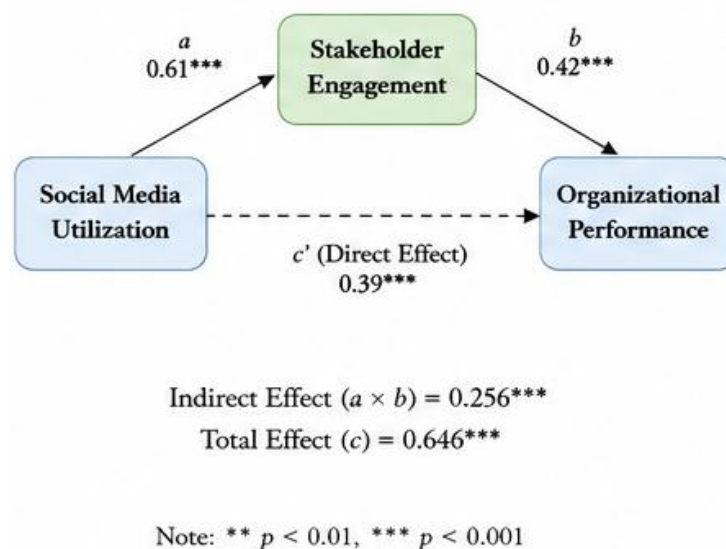


Figure 4. Structural equation model with standardized path coefficients

Table 4. Structural equation modeling results for the proposed hypotheses

Hypothesis	Path	β	p-value	Decision
H1	Social media $\rightarrow$ Stakeholder engagement	0.61	<0.001	Supported
H2	Social media $\rightarrow$ Brand reputation	0.54	<0.001	Supported
H3	Social media $\rightarrow$ Customer trust	0.47	<0.001	Supported
H4	Social Media $\rightarrow$ Organizational performance	0.39	<0.001	Supported
H5	Stakeholder engagement $\rightarrow$ Organizational performance	0.42	<0.001	Supported

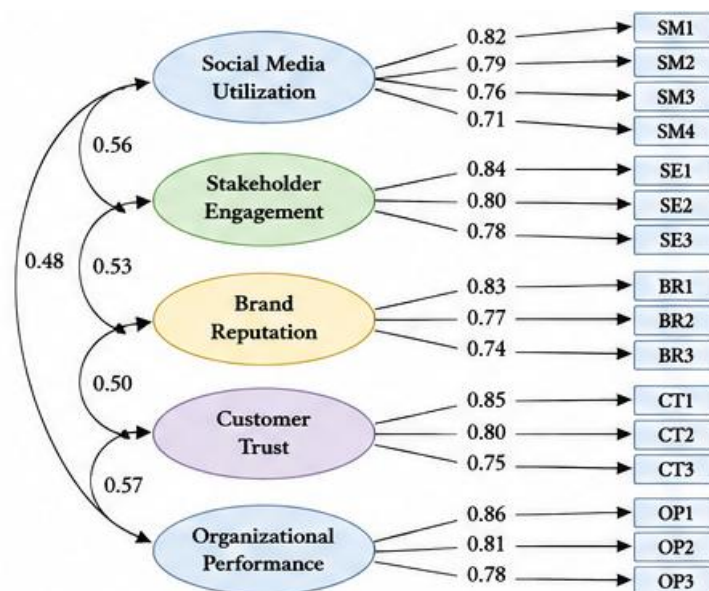
Among the structural relationships examined, the strongest standardized path coefficient was observed between social media utilization and stakeholder engagement, suggesting that stakeholder interaction represents the primary mechanism through which social media contributes to effective public relations among SMEs.

3.5 Mediation analysis

Bootstrap mediation analysis using 5,000 resamples demonstrated that stakeholder engagement significantly mediated the relationship between social media utilization and organizational performance (indirect effect = 0.26, 95% confidence interval = 0.17–0.36, $p < 0.001$). The confidence interval did not include

zero, confirming the statistical significance of the indirect effect. Because both the direct effect and the indirect effect remained statistically significant, stakeholder engagement was identified as a partial mediator rather than a full mediator in the relationship between social media utilization and organizational performance (Figure 5).

These findings indicate that social media utilization contributes to organizational performance both directly and indirectly through enhanced stakeholder engagement, highlighting the importance of stakeholder interaction as an underlying mechanism linking digital communication practices with organizational success.



Note: All factor loadings are standardized and significant ($p < 0.001$).

Figure 5. Bootstrap mediation model

As illustrated in Figure 5, stakeholder engagement partially mediated the relationship between social media utilization and organizational performance, indicating that social media contributed to organizational performance both directly and indirectly through enhanced stakeholder engagement.

4. Discussion

This study investigated the effectiveness of social media as a strategic public relations tool among small and medium-sized enterprises by examining

its influence on stakeholder engagement, brand reputation, customer trust, and organizational performance. The findings provide empirical evidence that strategic social media utilization extends beyond promotional communication and contributes substantially to relationship building and organizational success. The findings demonstrated that social media utilization was positively associated with stakeholder engagement, brand reputation, customer trust, and organizational performance. These results reinforce the growing recognition that digital

communication platforms have evolved into essential public relations tools that facilitate continuous stakeholder interaction and strengthen organizational competitiveness. These findings are consistent with Relationship Management Theory and Dialogic Communication Theory, both of which emphasize that long-term organizational success depends on transparent communication, continuous dialogue, stakeholder participation, and mutually beneficial relationships. The present findings therefore provide empirical support for these theoretical perspectives within the context of SMEs. The strongest structural relationship identified in this study was between social media utilization and stakeholder engagement, indicating that stakeholder interaction represents the primary pathway through which digital public relations contribute to organizational success. This finding indicates that SMEs adopting interactive social media communication strategies are more successful in developing meaningful relationships with customers, suppliers, employees, investors, and other stakeholder groups than organizations relying primarily on traditional communication methods. Interactive communication features including comments, direct messaging, live streaming, online discussions, and user-generated content encourage stakeholder participation, facilitate immediate feedback, improve organizational responsiveness, and strengthen relationship quality. Unlike conventional public relations, which frequently relies on one-way communication, social media enables organizations to establish continuous two-way dialogue with stakeholders. This interactive communication process enhances transparency, improves organizational credibility, strengthens stakeholder trust, and supports long-term relationship management.

The present findings are consistent with previous studies by Kent and Taylor, Men and Tsai, and Dwivedi and colleagues, who reported that continuous stakeholder interaction through digital communication platforms enhances organizational relationships, improves stakeholder satisfaction, and strengthens

organizational legitimacy. The current findings extend this body of knowledge by demonstrating that stakeholder engagement also functions as a significant mechanism linking social media utilization with organizational performance among SMEs. The study further demonstrated that strategic social media utilization significantly enhanced organizational brand reputation, indicating that transparent and consistent digital communication contributes to favourable stakeholder perceptions. Organizations maintaining consistent, transparent, accurate, and informative social media communication were more likely to be perceived as trustworthy, credible, and socially responsible by their stakeholders. These findings emphasize the importance of communication quality rather than communication frequency alone. Regular dissemination of organizational achievements, customer success stories, corporate social responsibility activities, educational content, and timely responses to stakeholder concerns contributes substantially to strengthening organizational reputation and improving stakeholder confidence. For SMEs, whose market competitiveness often depends on reputation rather than financial resources, social media provides an efficient platform for strengthening brand identity while reducing communication costs.

These findings agree with previous research demonstrating that organizations actively engaging stakeholders through social media develop stronger reputational capital than organizations relying exclusively on traditional communication channels. Consequently, strategic social media communication should be regarded as a long-term investment in organizational reputation rather than solely as a promotional activity.

Customer trust also emerged as a significant outcome of strategic social media utilization, highlighting the importance of transparent communication in developing sustainable organizational relationships. Organizations that consistently provide accurate information, respond promptly to stakeholder enquiries, acknowledge customer concerns, and maintain

transparent communication practices are more likely to cultivate long-term customer confidence, loyalty, and advocacy. Customer trust remains one of the most important determinants of customer retention, repeat purchasing behaviour, positive electronic word-of-mouth, and long-term organizational sustainability, particularly in increasingly competitive digital marketplaces. These findings reinforce the importance of authenticity, responsiveness, and consistent communication in digital public relations strategies. The findings therefore suggest that social media should not be viewed merely as an advertising platform but rather as a relationship-building mechanism through which organizations establish credibility, demonstrate accountability, and strengthen stakeholder confidence over time.

The study further demonstrated that social media utilization exerted a direct positive influence on organizational performance, suggesting that effective digital public relations contribute not only to communication outcomes but also to broader organizational success. SMEs demonstrating higher levels of strategic social media engagement reported improved organizational outcomes, including stronger stakeholder relationships, enhanced customer acquisition, improved competitive positioning, and greater perceived organizational effectiveness. Digital communication platforms enable organizations to reach broader audiences at relatively low financial cost while simultaneously collecting valuable stakeholder insights that support evidence-based managerial decision-making, communication planning, and service improvement. Consequently, investment in social media communication may generate both reputational and financial benefits for SMEs.

These findings indicate that investments in strategic social media communication may generate measurable organizational benefits extending beyond marketing performance to include stakeholder relationship quality, organizational legitimacy, and sustainable competitive advantage.

The mediation analysis demonstrated that stakeholder engagement partially mediated the

relationship between social media utilization and organizational performance. This finding indicates that the organizational benefits of social media are achieved not only through direct communication activities but also through the development of stronger and more meaningful relationships with stakeholders. The findings indicate that simply maintaining an active presence on social media platforms is insufficient to improve organizational performance. Instead, the quality, consistency, transparency, and responsiveness of stakeholder interactions determine whether social media communication translates into measurable organizational outcomes. Organizations that actively encourage stakeholder participation, facilitate open dialogue, respond promptly to stakeholder concerns, and incorporate stakeholder feedback into organizational decision-making are more likely to convert digital communication activities into tangible organizational and financial benefits. These findings provide empirical support for stakeholder-centered public relations frameworks, which propose that sustainable organizational success depends on establishing mutually beneficial relationships through continuous communication, transparency, trust, and stakeholder participation rather than relying solely on promotional communication. The findings of this study have several important practical implications for SME owners, communication managers, marketing professionals, and policymakers responsible for supporting digital transformation within small and medium-sized enterprises. First, SMEs should develop comprehensive social media communication strategies that integrate public relations objectives with broader organizational goals, ensuring that digital communication activities support stakeholder relationship management, organizational reputation, and long-term business sustainability. Second, organizations should prioritize interactive communication by encouraging stakeholder participation, responding promptly to stakeholder enquiries, addressing customer concerns transparently, and maintaining continuous dialogue across multiple digital communication platforms. Third, organizations

should continuously monitor social media analytics to evaluate stakeholder behaviour, communication effectiveness, audience engagement, and campaign performance. Evidence obtained through digital analytics can support data-driven decision-making and facilitate continuous improvement of public relations strategies. Finally, SMEs should invest in employee training, digital communication competencies, crisis communication planning, and social media governance policies to strengthen organizational resilience and improve the effectiveness of strategic public relations activities.

Policymakers and business development agencies should also encourage digital communication capability among SMEs through targeted training programmes, financial support, and technology adoption initiatives. Such interventions may improve organizational competitiveness, strengthen stakeholder relationships, and contribute to sustainable economic development.

Although the study provides valuable insights into the role of social media in strategic public relations, several limitations should be acknowledged when interpreting the findings. First, the cross-sectional research design prevented the establishment of causal relationships among the study variables. Longitudinal investigations are therefore required to examine how social media utilization influences stakeholder relationships and organizational performance over time. Second, all study variables were measured using self-reported questionnaire responses, making the findings potentially susceptible to common method bias, response bias, and social desirability bias despite the use of validated measurement instruments. Third, the study focused exclusively on SMEs operating within selected industrial sectors. Consequently, the findings may not be directly generalizable to large multinational organizations, public sector institutions, or enterprises operating in substantially different economic environments. Future research should employ longitudinal research designs, incorporate objective organizational performance indicators, and compare SMEs across different countries,

industries, and cultural environments to improve the generalizability of the findings. Future studies should also investigate the influence of artificial intelligence, predictive analytics, social listening technologies, influencer communication, generative artificial intelligence, and emerging digital communication platforms on stakeholder engagement, organizational reputation, and public relations effectiveness.

Another limitation concerns the reliance on respondents' perceptions of organizational performance rather than objective financial indicators. Future investigations should incorporate objective organizational performance measures, including revenue growth, market share, customer retention, and financial performance, to strengthen the robustness of empirical conclusions.

Overall, the findings demonstrate that social media has evolved into an essential component of contemporary public relations practice by facilitating stakeholder engagement, strengthening organizational reputation, enhancing customer trust, and improving organizational performance. Organizations that strategically integrate digital communication into long-term public relations planning are more likely to establish sustainable stakeholder relationships and achieve enduring competitive advantage. By facilitating stakeholder engagement, strengthening brand reputation, enhancing customer trust, and improving organizational performance, social media has become an indispensable communication tool for SMEs. Organizations that integrate social media into their long-term public relations strategies are likely to achieve stronger stakeholder relationships and sustain competitive advantage in increasingly digital business environments.

5. Conclusion

This study examined the effectiveness of social media as a strategic public relations tool for small and medium-sized enterprises by investigating its influence on stakeholder engagement, brand reputation, customer trust, and organizational performance. The findings demonstrate that strategic social media utilization contributes

substantially to strengthening organizational communication and enhancing public relations effectiveness. The findings indicate that effective social media utilization extends beyond promotional communication and serves as an important mechanism for developing sustainable stakeholder relationships, strengthening organizational reputation, improving customer trust, and enhancing organizational performance. These results emphasize that social media should be regarded as an integral component of strategic public relations rather than merely a promotional or marketing tool. SMEs that actively engage stakeholders through interactive, transparent, timely, and consistent communication are more likely to improve their public image, strengthen stakeholder confidence, increase customer loyalty, and achieve superior organizational performance. These findings highlight the importance of relationship-oriented communication strategies in achieving long-term organizational sustainability. The study further demonstrates that stakeholder engagement functions as an important mechanism linking social media utilization with organizational performance. Organizations that cultivate meaningful stakeholder relationships through continuous digital communication are more likely to realize the strategic benefits of public relations activities. These findings reinforce the importance of integrating social media into comprehensive public relations strategies that emphasize relationship building, continuous dialogue, transparency, stakeholder participation, and evidence-based communication management. Such an integrated approach enables organizations to strengthen organizational legitimacy and sustain competitive advantage in increasingly dynamic business environments. By strategically leveraging digital communication platforms, SMEs can strengthen stakeholder relationships, improve organizational reputation, enhance communication effectiveness, and achieve cost-effective public relations outcomes that support sustainable business growth.

From a practical perspective, SME managers should invest in structured social media communication strategies, employee digital

communication competencies, content planning, and performance monitoring using social media analytics. Organizations should also establish proactive crisis communication protocols and continuously evaluate stakeholder feedback to strengthen organizational credibility and long-term stakeholder relationships.

This study contributes to the growing body of knowledge on digital public relations by developing and empirically evaluating an integrated framework linking social media utilization with stakeholder engagement, brand reputation, customer trust, and organizational performance. The findings extend Relationship Management Theory and Dialogic Communication Theory by demonstrating how strategic digital communication contributes to organizational success among SMEs. The findings provide practical guidance for SME owners, communication managers, marketing professionals, business consultants, and policymakers seeking to strengthen digital communication capabilities, improve stakeholder relationships, and promote sustainable organizational development through strategic public relations. Despite these important contributions, the study has several limitations that should be considered when interpreting the findings. The cross-sectional design restricts causal inference, the use of self-reported questionnaire data may introduce response bias, and the inclusion of SMEs from selected industrial sectors may limit the generalizability of the results to other organizational contexts. Future research should employ longitudinal, cross-cultural, and multi-country research designs to validate the proposed conceptual framework in different organizational environments. Subsequent studies should incorporate objective organizational performance indicators, investigate sector-specific differences, and examine the influence of emerging technologies, including artificial intelligence, predictive analytics, social listening systems, and generative artificial intelligence, on strategic public relations effectiveness. Such investigations will advance theoretical understanding of digital public relations while providing practical evidence to

support organizational decision-making, stakeholder relationship management, and sustainable competitive advantage in rapidly evolving digital business environments.

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