Dynamically Adapting to the New Normal. How COVID-19 Outbreaks Pushed the Social Media Adoption among Italian SMEs?
Dynamically Adapting to the New Normal. Unpacking SMEs’ Adoption of Social Media During COVID-19 Outbreaks

Structured abstract

**Purpose** The present research aims at investigating SMEs’ adoption of social media platforms and how they integrated them within their marketing strategies during the COVID-19 outbreaks. Dynamic Capabilities – observed as the interplay between sensing, seizing, and reconfiguration capabilities – represent the principal theoretical framework used in this research to explain challenges in social media adoption and their effects on these businesses.

**Design/Methodology/Approach.** The study adopts the grounded theory approach to analyze semi-structured interviews with 19 key informants from Italian SMEs belonging to diversified industries.

**Findings.** The findings of this research are summarized in a holistic framework that explores three types of capabilities (i.e., sensing, seizing, reconfiguration capabilities) and the marketing outcomes of social media adoption among SMEs.

**Originality.** The study attempts to unpack which specific dynamic capabilities allowed SMEs to be successful in social media adoption during the COVID-19 outbreaks.

**Keywords.** COVID-19 Pandemic; Digital Marketing; Dynamic Capabilities; SMEs; Social Media.

**Classification.** Original article.
1 Introduction

SMEs (Small and Medium Enterprises) represent a key component of global economies (Javalgi et al., 2011). These businesses are the main employers in most of world’s countries, significantly contribute to national GDP growth, generate innovations, and are the backbone of global supply chains (Jafari-Sedeghi et al., 2022). Recent figures about SMEs show that they represent about 99% of business in China, and in the US, more than 30 million SMEs exist (about 2/3 of the overall private ventures), generating about 40% of the GPD (Del Giudice et al., 2019). However, it is in the UE-27 that SMEs got the lion’s share in terms of economic impact at the national level (Denicolai et al., 2021). Specifically, in Italy, which represents the context of the present research, there are approximately 148,000 active SMEs in the 10-249 employee range, accounting for 92% of the companies operating at the national level, a percentage which rises to 99.5% whether micro-enterprises are included (ISTAT, 2020). In Italy, about 15 million people work in SMEs, and these SMEs generate about 2,000 billion Euros in revenue. Principally, Italian SMEs operate in Agri-Food, Fashion, Building Solutions/Real Estate, Tourism and Automation. Notwithstanding their importance, SMEs are more exposed to the challenges emerging in the current turbulent environment than large businesses (Rahman et al., 2022). Among relevant challenges, SMEs are confronting the increasing technological intensity and post-COVID-19 recovery (Juergensen et al., 2020).

SMEs are nowadays facing challenges related to digital transformation, and in particular, the spreading of digital tools such as social media, online communities and multisided platforms, which can affect SMEs’ operations (Garzoni et al., 2020). Indeed, as demonstrated by recent studies (e.g., de Bem Machado et al., 2022) digital tools have impacted the transformation of firms in reference to innovation and management, although the peculiarities and working methods of
SMEs imply a different use of digital tools compared to larger companies (Setkute and Dibb, 2022). Moreover, SMEs are consistently slower in adopting technologies (Michaelidou et al., 2011), therefore, they still lag behind on the digitization of their activities. According to the EY Digital Manufacturing Maturity Index 2019 survey, indeed, only 14% of Italian SMEs have reached an advanced state of digital development (EY, 2019). It was also shown that only 12% of them started a digital skills development program.

The COVID-19 pandemic represents another major issue that SMEs are currently facing (Carlsson-Szlezak et al., 2020; Fready et al., 2022; Rahman et al., 2022). To reduce the spread of contagion, most countries implemented unprecedented countermeasures such as shelter-in-place rules, limitations to movement within the same country, social distancing and in-presence-meeting-abolition, mandatory face-masks, and forced business closures (Eggers, 2020). Social distancing measures pushed SMEs to increase the use of digital tools to respond to the crisis (Klein and Todesco, 2021), and health emergencies played an accelerator role in digital activities among companies. As usually happens in situations of uncertainty (Yaghtin et al., 2021), the touchpoints between employees, businesses and customers, business processes and people’s priorities have been disrupted, and companies have had to rethink the way to deal with change and survive.

The benefits of the adoption of digital platforms such as social media for SMEs have already been discussed in the literature before COVID-19 (Taiminen and Karjaluoto, 2015). In this respect, most of the research assessed how social media could increase sales and ROI of these companies (Kumar et al., 2013), improve relationships with consumers (Obal and Lancioni, 2013; Rapp et al., 2013) and brand image (Nisar and Whitehead, 2016), also through enhanced e-WOM (Xie et al., 2016). Some recent studies have investigated the responses of SMEs and how they could become more adapted to digital activities in the COVID-19 scenario (Klein and Todesco, 2021). Topics
include SMEs’ social media adoption and their business model transformation (Pryono et al., 2020). Yet, to the authors’ best knowledge, scholars paid scant attention to the unpacking of which SMEs’ specific capabilities these businesses to be more successful in social media adoption during the health emergency and which were the related outcomes (Hu and Olivieri, 2022; Patma et al., 2021; Rakshit et al., 2021). Hence, this research aims at investigating the social media marketing objectives pursued by SMEs during COVID-19 outbreaks and how these companies integrated
social media platforms in their strategies. The authors explored which main challenges and procedures were underpinned by SMEs to achieve such objectives at a micro-level – i.e., how the right channel was identified, how social media were implemented, and their effects on business operations. In particular, which SMEs specific capabilities fitting within the broader framework of dynamic capabilities were fundamental for success were identified. Building on Grounded Theory – through 19 semi-structured interviews with marketing managers, CEOs, and communication professionals from Italian SMEs – the interplay between SMEs’ capabilities fostering the successful adoption of social media during the pandemic will be assessed and then conceptualized. Indeed, Grounded Theory provided the researcher with a method to determine the most relevant insights emerging during the multiple iterations occurring in the interview process, which allowed to refine existing theory (dynamic capabilities, in the specific case) from the observation of multiple cases (Glaser and Strauss, 1967). The dynamic capabilities framework is the main starting theoretical lens considered in the research (Mention et al., 2019; Schilke et al., 2018). Existing findings concerning the interplay between the existing sensing capabilities, seizing capabilities, and reconfiguration activities in the implementation of social media will be considered as the initial stage of the research and will thereby be extended according to the particular findings rooted in SMEs (Waeven et al., 2021). Thus, the authors seek to answer the following research questions:
RQ1: Which SMEs capabilities allowed successful social media integration within business models during extreme environmental turbulences?

RQ2: Which marketing objectives have been achieved by SMEs during COVID-19 outbreaks through social media?

To answer the aforementioned research questions, Italian SMEs have been selected as the domain of this research. In fact, SMEs represent the majority of businesses in Italy, and they were also the most affected business by the COVID-19 pandemic (Belghitar et al., 2021). Italy was the first Western country – the second in the world after China – to experience massive COVID outbreaks and had its first nationwide lockdown in March-April 2020. Other countermeasures and restrictions were also implemented during the successive pandemic waves from November 2020 to March 2021, similar to many other western countries (in particular UE-27, UK and US).

The remaining of this paper is structured as follows. The second section reviews the recent literature on the marketing strategies of SMEs and the role of social media in these strategies. The third section presents data collection and the methodology adopted for this study. Section four summarizes the results of our research. Discussion of the findings, conclusions, managerial implications and limitations of the study concludes the paper.

2 Theoretical Background

2.1 The evolution of SMEs’ communication strategies
Marketing literature concerning SMEs argues that the use of strategic communication channels represents a performance driver (Pisicchio and Toald, 2021). It was thoroughly assessed that the integration of different digital tools is required to achieve success. Fraccastoro et al. (2020) classified marketing and communication tools usable by SMEs into three broad categories. (1) Traditional sales communication tools, such as face-to-face sales techniques, telephone calls and postal services. (2) Digital communication tools, for example, e-mails, websites, and chatting platforms, which include all the tools that fall within the Web 1.0 realm, thus not providing real-time interaction with the interlocutor. (3) Social media, which includes any technology based on Web 2.0 application allowing digital communication in real-time and B2B and B2C transactions (i.e., through a social media marketplace).

It has long been observed that marketing and communication tools traditionally used by SMEs are no longer sufficient to achieve modern businesses’ objectives (Odoom et al., 2017). That is, TV-based advertising and direct mail communications do not meet the needs of modern consumers (Quaye and Mensah, 2018). Indeed, according to a study by Saura et al. (2021), SMEs use data science and digital marketing strategies for brand awareness purposes, to access new markets or to sell products/services. Consequently, many SMEs have fully integrated social media such as Facebook, Instagram, and Pinterest to promote and sell their products; TikTok and Snapchat to communicate with younger consumer cohorts; YouTube and Twitter for B2B communication, and LinkedIn for recruiting and institutional communication (Ruparel et al., 2020). Among the main benefits of social media usage, Barnes et al. (2021) have demonstrated that greater efficiency in SMEs’ communication is achieved. On the one hand, SMEs may better advertise their products to target customers (micro and personal segments), as well as they may provide timelier customer service. On the other hand, internal chats, virtual teams, and social media
channels may improve the ways employees dialogue with each other and cope with emerging
problems or collect data from the environment.

Taiminen and Karjaluoto (2015) showed that through social media, SMEs may reach new
markets and may allow them to communicate with distant customers. Lohrke et al. (2006)
seminally observed a cost reduction in marketing expenses. Indeed, social media offer the
opportunity to target the right customer with lower individual costs. In short, social media allow to
know customers more and better (Scuotto et al., 2017). B2C interactions on social media generate
collectible data for businesses, which could be used to obtain insights and make forecasts (Liu et
al., 2021). In this vein, Mention et al. (2019) assessed instead how social media might allow SMEs
to exploit their innovative potential. Social media may allow SMEs to collect insights concerning
emerging market opportunities and reap these by generating offerings coherent with customer
expectations, i.e., by benchmarking ideas with customer feedback existing on social media
(Matarazzo et al., 2021). Shideler and Badasyan (2012) observed an increase in performance in
terms of ROI (Return on Investments) and ROS (Return on Sales) due to social media adoption.
This phenomenon has been related to increased reactiveness and improved capability to sense
changes arising in the market. Similarly, the literature has highlighted that electronic word of mouth
(e-WOM) could be an indicator of stock market performance (Tirunillai and Tellis, 2012).

The importance of social media adoption in SMEs’ digital marketing strategies has been
widely recognized in the academic literature. Due to their interactive nature, social media provide
several benefits (Felix et al., 2017; Pandey et al., 2020; Salo, 2017). First, they allow sellers to
share and exchange information with their customers; next, they let consumers confront each other
by exchanging views and opinions, thus, allowing the diffusion of positive e-WOM concerning the
business (Mai and Liao, 2021). According to Dutot et al. (2016), social media contribute to the
dissemination of user-generated content (UGCs), and since they are based on the interactions between stakeholders and the company, they allow interactions and content to co-exist in virtual spaces. Therefore, social media represents a communication channel that allows businesses to contact users who otherwise were unreachable and influence the stages of the buying process (Diba et al., 2019).

Scholars have argued that social media may be fundamental for SMEs wishing to achieve strategic company goals, such as promoting the business’ distinctive characteristics and novelties (Forés and Camisón, 2016). To pursue these digital marketing-related objectives, SMEs should develop an adequate online presence, which is key for many companies operating in different sectors to increase the company’s visibility. In a study dedicated to Finnish SMEs, Joensuu-Salo et al. (2018) described marketing and digitalization as essential activities for businesses aiming to strive in the future. And Tiago and Verissimo (2014) have argued that marketing professionals should develop a strong and reliable relationship with their customers through digital marketing activities.

As noted by Resnick et al. (2016), many SMEs do not have the financial resources to invest in these new platforms and are forced to resort to traditional tools such as calls, messages, and personal relationships with consumers. These companies lack the skills to realize and monitor how their social media activities would affect their business – as “social media analytics are better used in certain large companies but less acknowledged in SMEs” (Hassani and Mosconi, 2022, p. 1). In general terms, recent studies (Tudor et al., 2021) argue that few SMEs have integrated digital platforms because of several challenges, problems in long-term forecasting, lack of financial resources and problems in finding new partners. Several SMEs do not have the human resources, both in terms of quantity and qualification, to dedicate to social media marketing activities (Piercy,
In other words, businesses wishing to remain competitive and cope with market changes need to take advantage of existing skills while looking at acquisitions of new ones (Ajayi et al., 2017).

### 2.2 Social media adoption in SMEs’ marketing strategies

Scholars observed the adoption of social media in SMEs by analyzing the benefits and disadvantages of these platforms (McCann and Barlow, 2015). As an example, researchers showed how social media such as Facebook could be used by SMEs to promote products or services and for daily transactions, as it is low cost and does not require high technological skills. Digital platforms can be adopted for both internal and external communication, as they represent a channel for interacting with consumers and also for communications purposes between employees of the same company, for example by fostering the development of inter-organizational collaboration networks (Lardón-López et al., 2022).

Previous research exploring the phenomenon at a macro-level has highlighted that social media integration in SMEs’ marketing strategies may permit to achieve different business objectives (Tajvidi and Karami, 2017), as they are defined as “a great pool of information of consumers’ attitudes of a brand,” from one side, while “it creates social interaction among consumers which leads to a better trust” on the other side (Palalic et al., 2020, p. 2). First, social media would act as a flywheel for sales growth in a sector that, in the past, relied almost exclusively on the personal relationship between salespeople and buyers (Bocconcelli et al., 2017). Second, various intangible assets, such as brand awareness, brand image (Huotari et al., 2015) and the stakeholders’ trust (Rapp et al., 2013), would benefit from the implementation of these platforms in the company. According to some scholars (Barreda et al., 2015; Xie et al., 2016), social media
are facilitators of the e-WOM with the result of improving consumers’ buying intentions. Moreover, these digital channels offer the opportunity to personalize communications for the buyers (Andersson and Wikström, 2017), as well as to establish new relationships with potential customers (Huotari et al., 2015), thus, offering opportunities for the expansion of business. Such a perspective is coherent with Rogers’ (2004) Diffusion of Innovation (DOI). Accordingly, SMEs may adopt social media for the possible benefits such as compatibility, observability (i.e., the use by competitors), and relative advantage significantly outweigh the costs, complexity and risks represented by the technology (Kwon et al., 2021). In this vein, the results of a recent study by Cepeda-Carrion et al. (2022) support the key role of social media for acquiring external information and knowledge, also in order to improve the performance of new products (Cheng and Shiu, 2020). Then, as most of the customers already use social media, the selection of such channels presented low risks and high reach (Qalati et al., 2021), as also demonstrated by recent studies (Garrido-Moreno et al., 2020), according to which the customer’s engagement capabilities in the value creation process would be positively influenced by social media.

Among the other principal theories explaining the social media integration processes in SMEs, mainly at the macro-level, extant research frequently used technology acceptance theories such as TAM and TAM2 (Rialti et al., 2019). In particular, it was observed that the perceived usefulness and ease of use of social media (as mass technologies) influenced the final actual use and performance of these tools, even in SMEs (Gavino et al., 2018). To what concerns micro-level mechanisms foster SMEs’ adoption of social media, dynamic capabilities represented a relevant theoretical approach to unpack the phenomenon (Rialti et al., 2018). Dynamic capabilities, in fact, represent the organization-wide capabilities spurring from diffused practices capable of fostering the identification of new tools or the reconfiguration of existing knowledge to exploit emergent
opportunities. Three main types of capabilities were identified: sensing, seizing and reconfiguring capabilities. According to these studies, SMEs’ sensing capabilities are fundamental for a business to identify trends in customers’ behavior and preferences, technological forecasting, and opportunity identification (Jafari-Sedeghi et al., 2022). Hence, thanks to these capabilities’ businesses could identify the right digital tools for their need, like the right social media for a specific SMEs’ marketing objective. Seizing capabilities, then, are relevant to exploiting the right media for the right purpose. Typical examples of the use of these activities concern “purposeful knowledge exchange, strategic signaling to right stakeholders, creation of new intellectual capital and catalyzing dialogue through word-of-mouth” (Mention et al., 2019, p. 243). Finally, reconfiguration activities involve the re-organization of traditional processes to follow new strategic avenues. It has been observed that companies have to reconfigure their activities to include social media in their marketing communication and to collect data (Felix et al., 2017).

Social media implementation and exploitation, however, have become more complicated in the complex scenario marked by COVID-19. Indeed, first, the use of social media throughout the world has grown exponentially, generating the so-called “information overload” (Yoon et al., 2021). Second, the logic of social media calls for companies to implement new relational approaches with users. According to Azer et al. (2021), during the COVID-19 pandemic, social media communication should be user-centric and not producer-centric. An example of spaces in which relational dynamics change compared to other online environments is the brand communities on social media, which are fundamental both to promoting the brand among consumers and managing the relationship with them (Zollo et al., 2020). Third, reconfiguring internal processes has proved challenging in the social distancing era.
Nevertheless, some SMEs succeeded in the adoption of social media during the pandemic through these capabilities. In doing so, as SMEs differs in respect of large companies, several small-scale SMEs specific capabilities played a role in the success of such endeavors. Accordingly, the next section will explore which of these capabilities fitting within the broader dynamic capabilities framework were fundamental for social media adoption among Italian SMEs during COVID-19 outbreaks. Likewise, findings will show how these digital tools were identified and included in business models and the effects derived from their adoption.

3 Methodology

3.1 Research context

The research focuses on the principal outcomes of social media and their integration to SMEs’ business models and marketing operations (Eggers, 2020). Given the fundamental changes brought by the COVID-19 outbreak to social media adoption by SMEs, a grounded-theory approach is appropriate to reveal how such communication tools are implemented within SMEs’ marketing strategies (Strauss and Corbin, 1998). Grounded theory is an inductive approach that aims at producing a new theory routed in data (Razi et al., 2022). To collect primary sources of data, the authors carried out a qualitative study by conducting semi-structured interviews with 19 key informants from 18 SMEs. Specifically, through a purposive sampling process (Johnson, 2015), researchers identified key informants (see Table 1) operating in Italian SMEs from diversified sectors, increasing the findings’ generalizability (Järvi et al., 2018). In particular, the informants belong to SMEs operating in the key business area of the Italian economy, such as IT, Fashion, Luxury Furniture and Home Décor, Food, and Automation. Most SMEs and informants are located
in Northern Italy, which is the most productive region of Italy and the one hit in the hardest way by the first COVID-19 outbreak in early 2020.

The variety of job profiles of key informants has allowed us to sample multiple significant experiences in the different sectors involved and, consequently, to develop a deep understanding of the subject of this investigation (Gambetti et al., 2012).

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3.2 Data collection

Data was collected from 19 key informants through semi-structured interviews (Yin, 1994) using online or phone contact methods. Through interviews, we acquired information and understood choices and experiences (Rowley, 2012). The semi-structured interviews have been used in previous studies on the social media marketing topic (e.g., Aljukhadar et al., 2020; Bazi et al., 2020; Obermayer et al., 2022). According to Bazi et al. (2020), semi-structured interviews favor social interaction, improving the relationship between the researcher and key informants.

The draft questions were framed based on the academic literature and brainstorming with the aim of identifying which dimensions and topics to deal with in this qualitative research. Table 2 presents the research protocol containing the main questions of the interviews based on the macro-issues that the authors decided to investigate. Specifically, the questions included some open-ended questions on the informant’s profile and experience in managing digital marketing activities in SMEs. Then, the main topics investigated in this study pertain SMEs’ digital marketing
strategies before and after COVID-19 outbreaks, the role of social media in SMEs’ digital marketing strategies, and new tool adoption processes.

Questions related to specific examples and activities were also included in this empirical investigation. As suggested by Hesse-Biber and Leavy (2017), the interviews concluded by asking the informants to add views on any topic not covered in the interview.

The semi-structured interviews were conducted between July 2020 and July 2021, taking, on average, one hour for each informant. Some key informants also shared additional company data in written form. The interviews were recorded, analyzed, and transcribed ad verbatim by the authors.

The 12-month period selected for the data collection was deemed coherent with the purpose of the study as during this period, Italian regulations about COVID-19 prevention did not change (i.e., face-mask rules, shelter in place), thus managerial reactions were influenced in an analogous way by the environment. The authors stopped the data collection when they reached theoretical saturation, and additional interviews would no longer produce new information, as no new themes emerged.

3.3 Data analysis

The transcripts of the 19 interviews represent the primary source for the data analysis of this study. We adopted the grounded theory technique (Strauss and Corbin, 2008) based on a constant comparison and theoretical sampling. First, researchers developed the rationale by exploring what
has already been assessed on social media adoption through a dynamic capabilities’ lens (Matho et al., 2022). Then, the logic for grounded theory use was provided, and the instrument of the investigation was developed according to extant literature (Glaser and Strauss, 1967). Finally, through a rigorous qualitative analysis based on the aforementioned iterative process, insights for theoretical enrichment were developed (Zollo et al., 2022).

By adopting an open, axial and selective coding strategy, researchers constantly interacted and compared data (Razi et al., 2022). As the coding process progressed, the researchers identified and interpreted themes related to the research objectives.

The researchers analyzed the transcripts of the semi-structured interviews in the following steps:

1. the key points found were labeled as codes;
2. the codes with thematic similarity were grouped, forming categories;
3. the categories were related to each other, and thematic sub-categories were identified.

By following the Creswell and Poth (2016) approach, researchers opted for this coding process as it is possible to analyze the qualitative text data by disassembling them to see what they produce and then put them together in a meaningful way.

Moreover, following Yin (2013) procedure, data were triangulated with data from other sources, such as sector reports produced by institutional sources, social media pages, SMEs’ websites etc.

4 Results
Three principal themes emerged from the semi-structured interviews: (a) **Effects of the COVID-19 outbreaks on SME’s marketing tools**; (b) Social media strategies implemented during COVID-19 outbreaks; and (c) **Digital tools’ integration into SMEs’ business models.**

### 4.1 Effects of the COVID-19 outbreaks on SME’s marketing tools

Our study investigated how the COVID-19 outbreak influenced the digital marketing strategies of Italian SMEs. Published work pointed out how COVID-19 forced digital transition in SMEs more than the hiring of experienced CIOs (Mykytyn, 2020). Indeed, interviews highlighted that COVID-19 set limits for many in-person activities like trade fairs and meetings with customers. However, national lockdowns implemented by the Italian government offered SMEs the opportunity to rethink their marketing strategies by focusing on digital channels.

Interviewed managers acknowledged that they reassessed the digital marketing projects, which were undermined in the past. For example, Company γ marketing and business development manager referred to a digital academy project which had been previously activated:

> “We had difficulty finding the time to stop and reflect on the project because in a very small company, starting to work on something that does not give clear results in a short time is equivalent to investing time and resources on a project whose results are uncertain.”

(Company γ, Marketing and business development Manager)

However, most of the interviewed managers stressed that COVID-19 was the first opportunity to boost digital projects and integrate digital channels into their business models, in particular, their marketing and communication strategies. Before the COVID-19 outbreak, some
SMEs were not used to developing and diffusing digital content. Only once the lockdown was enacted did they start to sense the potential of these channels, for example, in strengthening relationships with consumers and stakeholders. Hence, the pandemic was an opportunity to develop digital touchpoints which previously were not central in the SMEs’ marketing strategies. Particularly, our findings show that digital platforms have been essential to establishing and maintaining relationships with stakeholders during the lockdown.

Relations between people (customers) are considered fundamental in SMEs. Before COVID-19, the online channel was considered useful to generate awareness and leads, build loyalty and engagement, and was a means leading to a physical meeting. Starting from March 2020, because of COVID-19 restrictions, many companies decided to organize webinars, a tool used to combine loyalty and engagement objectives, and virtual meetings.

Today, offline and online cannot be considered as separate tools in marketing strategies, and both must be present in an integrated way. For the selected SMEs, the COVID-19 emergency was the occasion to get closer to the digital world and to improve digital skills and invest in digital training courses, which have proved useful for some key informants in their digital marketing and communication activities. Among these digital initiatives, some interviewed informants shared that, during the lockdown, some projects they had been planning for a long time were finally launched. For example, the CEO of Company ζ states:

“The COVID-19 was a strange situation for everyone, and we certainly found ourselves in the middle, but having a community on Facebook and a series of tools at our disposal, we also found ourselves in an interesting situation.”
During the lockdown, the company ζ relaunched its updated website with new sections and new content. At the same time, COVID-19 was an opportunity for company ζ to launch an e-newsletter that currently reaches 800 addressees.

Apart from the macro-environmental factors (i.e., the COVID-19 pandemic and lockdowns), micro-factors also played a role in increasing the awareness of social media digital initiatives. Specifically, the CEO of company σ stressed how members of the salesforce team were the first ones to notice the unavailability of customers for face-to-face meetings. Hence, they started to use their own social media to contact customers and show them new products. Later, the initiative was applied to the whole company to organize content on SME’s website in a coherent way.

“Firstly, during the COVID-19 emergency, the salesforce started to highlight that it was increasingly difficult to schedule appointments with customers. As phone calls proved to be unsuccessful in explaining all-new available products, they started using their own LinkedIn and Instagram. A few days later, the need to develop several company pages on social media and to name them administrators emerged. Thus, we took corrective action.”

(Company σ, CEO)

Another motivation for the search for social media channels was the need to increase internal communications, as most of the employees were working remotely. This was confirmed by Company κ’s CEO.

“We found ourselves in a dire situation. Most of the contracts were still in place, but employees could not come to the headquarter. Hence, pushed by this need and employees’
suggestions, we adopted Facebook to create a closed group where everyone could post
information and requests…”

A relevant insight emerged from the interviews that concerned how employees in touch
with customers identified the best solution for the company. Additionally, the relationship existing
within SMEs allowed the solution to be considered by the upper echelons immediately, without the
need to pass through several different steps that may have prevented its adoption.

4.2 Social media strategies implemented during COVID-19 outbreaks

The impact of social media on SMEs’ digital marketing strategies during COVID-19 is the second
theme emerged in the data analysis. Most of the managers interviewed stated that SMEs’ presence
on social media was extremely limited before the COVID-19 emergency, and the main tools
adopted by SMEs were based on traditional channels that involved physical contacts like trade fairs
and physical meetings (Michaelidou et al., 2011). Company θ reported that a major barrier to social
media adoption is the age group since social media users are usually very young.

However, even before COVID-19, a certain awareness of the importance of social media in
the marketing and digital communication strategies of companies was emerging among SMEs.
Some companies, e.g., Company E, recognized the importance of integrating these channels into
business strategies and hired a social media manager before COVID-19. SMEs took the opportunity
of the pandemic to use social media and opened Facebook and LinkedIn pages.

This study showed that all the managers interviewed agreed on the possibility of
strategically integrating social media into marketing and communication strategies, as these offer
numerous benefits. The benefits of social media, as recognized by SMEs, are reported in Table 3.
The interviews conducted showed the added value provided by digital platforms. The main benefits include social media’s proximity to the target audience and the greater visibility obtained by sharing content within the professional network. Moreover, social media offers the possibility of real-time information.

As an example, the marketing manager of business π assessed that during COVID-19 social media were fundamental to strengthening business relationships with customers.

“Our business was already present on LinkedIn, however, we felt that it was not sufficient to reach many of our customers. During the pandemic, we also explored Facebook, Instagram, and YouTube. Many customers, especially younger ones, found the digital content extremely interesting. After the end of the lockdown, they continued to interact with us to ask for information about new products that we may realize.”

(Company π, Marketing Manager)

Hence, the potential of social media in fostering engagement with the company emerged, and its role as a tool to exchange information was realized (Scuotto et al., 2017). Specifically, it was observed that a greater awareness of business processes pushed engaged customers to suggest new products or different solutions.

In this regard, two relevant insights emerged. The first one concerns the fact that social media allows more direct dialogic communication between employees and the business. The effects
of this dialogue regarded the faster development of new products and improved customer service. Employees thus become more autonomous in managing the relationship with customers through social media, which consistently generates a bricolage-based solution to cope with emerging opportunities. Indeed, the size of SMEs allows them to re-arrange existing resources to deal with urgencies and to solve customers’-based problems (Zollo et al., 2022).

4.3 Digital tools’ integration in SMEs’ business models

During the COVID-19 health crisis, many companies realized that through digital channels, their marketing and communication strategies could gain various benefits. For instance, the Web marketing manager of Company λ stated:

“The time has also come for Italian companies, especially SMEs, to enter this world [...] because the rest of the market is aligned. Let me give a very trivial example: we have shoe factories that sell all over the world when in March, we found ourselves in total closure. They did not know how to show products because they did not even have photographs. We then created a virtual catalog...”

The digital initiatives have yielded many achievements in customer loyalty, like offering an interactive experience that has allowed SMEs to increase customer engagement. Some SMEs offered customers an opportunity to see their products virtually, and they received very positive feedback later. During the lockdown period when SMEs’ activities were at a standstill, social media served to engage customers, as well as to maintain relationships with other companies and colleagues.
“The webinars we are doing in this period were born from the need to maintain relationships with consumers and with all our interlocutors. The last trade fairs we were doing before the spread of the pandemic were an occasion to meet people to show our products. Now we are bringing our products to virtual meetings...”

(Company ε, Partner and sales director)

However, companies also recognized some difficulties associated with virtual activities. Like, how to maintain users’ attention and engagement during digital events. The Partner and sales director of Company ε stated:

“We are really interested in the ‘wow effect,’ which is what remains in the customer’s head. There are people who attend many hours of webinars but remember only a few things. What we would like from our webinars is a wow effect and that the customer remembers the interactive experience. You have to play with emotions and amaze those who listen to you.”

Another issue is represented by sales effects. Company κ took part in digital trade fairs, but they pointed out that although organizers were the same as physical fairs, effectiveness was not the same as most important buyers were missing:

“We did not have a very good response. Unfortunately, they cannot be compared to normal fairs, although the organizers are the same. The Milan Design Week, the Paris trade fair, as well as the Dubai and Shanghai fairs have always been the most significant events for
us. [...] The Milan Design Week is a unique event in the world, it is the largest furniture and design trade fair, where you can find [...] the most exclusive buyers go.”

(Company 0, Marketing manager)

It was also observed that SMEs experienced several challenges in the integration of social media into their traditional ways of operation. In particular, the lack of a skilled workforce in some cases caused implementation problems (Rialti et al., 2019). Integrating social media may be complicated for companies that never ventured into this field. Employees may not perceive social media as useful and have concerns. Likewise, they may perceive the management of social media as an additional burden not included in their contracts.

“Directors perceived the usefulness of social media to improve communication with consumers during the first lockdown. However, we were missing a skilled workforce. Additionally, the ones with enough skills were not initially interested in spending their time managing social media...”

(Company ρ, CEO)

The lockdown forced companies to change their perspective. SMEs that were familiar with digital tools have strengthened and speeded up implementation, while other SMEs evaluated the benefits offered by digital platforms, and managers made efforts to convince the workforce to comply. Thus, it was observed that companies with strong reconfiguration capabilities were capable of swiftly adapting to changing environments, while others adopted only when the crisis was already ending.
Digital platforms such as social media can help companies achieve marketing goals. Engaging customers and partners, stimulating feedback through interactive channels, and strengthening the presence on social networks allowed companies to emerge in their network and establish new ways to collaborate, despite some difficulties in planning and organizing digital activities.

5 Discussion

In this study, it was investigated how SMEs companies integrated social media platforms into their business models during the COVID-19 outbreaks. Interviewed key informants declared that before the COVID-19 pandemic, offline activities prevailed over online ones. This confirms SMEs’ slow adoption of digital tools (Michaelidou et al., 2011), mostly due to employees’ lack of reconfiguration skills. However, this study suggests an enhancement of digital communication activities among SMEs after lockdown and social distancing measures were implemented. Pandemic restrictions led firms to a substantial increase in social and digital media adoption and investment in these tools. In some cases, new employees with specific digital skills were hired or SMEs outsourced social media management to specialized agencies.

Digital tools’ implementation depends on various factors, such as the firms’ existing digital capabilities, learning culture, level of digital technology adoption, and ability to develop with supporting parties (Priyono et al., 2020). Organization-wide dynamic capabilities, like, sensing capabilities, seizing capabilities, and reconfiguration capabilities, play a fundamental role in making the adoption process smoother and more effective. Indeed, only SMEs that were capable of identifying the exact function of each social media, the right tools, and integrating them within
existing processes were able to exploit these channels immediately during the lockdown. As compared to larger firms, SMEs usually lack the resources to invest in costlier tools such as TV or print advertising. On the one hand, social media usually require lower investments (Siamagka et al., 2015), therefore, it could meet SMEs’ budget constraints. On the other hand, as our study suggests, more investments – also in terms of time – should be undertaken to develop a specific social media strategy. SMEs should train professionals or create specific roles in the. During the beginning of the pandemic, digital actions were implemented by firms to survive, however, SMEs should fully unlock the bigger potential in digital technologies (Klein and Todesco, 2021).

In order to achieve our research aim, the authors identified the main social media objectives when integrated into SMEs’ marketing strategies. Particularly, the authors found that these platforms are used for key functions for the success of the company (Odoom et al., 2017). Benefits deriving from the use of these tools are now recognized by companies, which had to rely on social media for their activities of marketing and communication during the first COVID-19 lockdown. Restrictions pushed SMEs to rethink their previous activities, highlighting the importance of social media as key channels for creating new relationships with consumers and stakeholders, strengthening relationships and, in some industries, selling their products or services.

Finally, the results of this research stress that social media should be integrated with the overall marketing strategies of SMEs, as they represent an opportunity to achieve several objectives related to awareness, communication, engagement, and sales (Fraccastoro et al., 2020; Hu, 2022; Tajvidi and Karami, 2017). Furthermore, COVID-19 has given a strong boost in making digital channels more central for companies operating both in B2B and B2C contexts. In the post-COVID-19-era, SMEs should explore alternative tools to reach their target and provide continuous support through digital and social media. Deploying social media in business models is key to improving
relationships with the segment of customers (Zollo et al., 2020). Due to their low cost, social media may contribute to positive revenues with lower investments than traditional channels. Social media play an important role in collecting information and knowledge from customers allowing it to better target customers and propose their new offerings.

What fundamentally emerged is that the size of SMEs represented a significant advantage in social media implementation during the COVID-19 crisis. The sum of individual capabilities defined organization-wide capabilities, which allowed rapid deployment of new solutions. Likewise, in the analyzed cases employees were eager to borrow their individual skills for the business and engage in the change. Henceforth, capabilities that exist through SMEs in the form of individual capabilities of employees played a pivotal role in the rapid deployment and improvement of selected solutions.

These findings were holistically summarized in the following figure (see Figure 1).

<< Insert Fig. 1 here >>

6 Theoretical and Managerial Implications

6.1 Theoretical implications

Our study provided an overview about how Italian SMEs reacted to the COVID-19 outbreaks in 2020 and the first half of 2021. The small dimensions of these firms made it easier for most of them to adapt to the disruptive situation. At the same time, the health emergency also proved to be a burden for the SMEs that lacked a skilled workforce.

In particular, results suggest that social media were vital for Italian SMEs to pursue key marketing objectives during social distancing times. For instance, firms adopted new tools such as webinars and online trade fairs on social media platforms to share product information, which are
now common activities implemented in the post-COVID-19 scenario (Hu, 2022). Moreover, social media platforms increased their relevance as sales channels.

This research contributes to the literature in multiple directions. First, it contributes to the research stream on SMEs and social media (Matarazzo et al., 2021). This study confirms the findings of recent research conducted in Bangladesh by Rahman et al. (2022) regarding SMEs’ survival strategies during COVID-19. As in Bangladesh, a developing country, and among SMEs from Italy, a traditional economy, social media were key in providing updated information for online order processing. Indeed, direct communication and knowledge collection capabilities are fundamental traits of social media that helped in SMEs’ success (Scuotto et al., 2017) during the health emergency and in the post-COVID-19 scenario. SMEs realized that content plays a key role in enhancing virtual interaction and cocreating value in B2B (Fready et al., 2022). Likewise, the social commerce potential of these digital tools may allow SMEs to sell their products in diverse markets they could not have otherwise reached. Second, the results extend the knowledge of the importance of dynamic capabilities importance in SMEs’ digital transition (Del Giudice et al., 2019). The interplay between sensing, seizing, and reconfiguration capabilities was indeed explored mostly for large businesses or in a theoretical fashion (Matarazzo et al., 2021), thus lacking insights about SMEs specific capabilities which may foster the success of social media integration. The importance of internal engagement of employees and the possibility to develop informal networks faster in SMEs thereby emerged in the sensing block. In addition, it was observed how SMEs seized the opportunities at high speed due to internal capabilities to generate new knowledge and intellectual capital and how they were more capable to re-configure due to informal organizational structure. Finally, the research increases the literature on the impact of COVID-19 on SMEs by observing real-world actions to deal with the emergency. The research,
therefore, presents several novelties in respect of knowledge about SMEs’ adoption of social media
during the COVID-19 first outbreaks and new normality. In particular, it observed the pivotal role
of organization-wide engagement in adopting new social media and how informal procedures
existing within SMEs allowed rapid deployment of new solutions to manage relationships with
customers.

6.2 Managerial implications

Our research provides managerial implications for professionals who are involved in the marketing
and communications departments of SMEs. Findings demonstrate that after an initial phase of
uncertainty because of the pandemic, SMEs reacted by implementing or strengthening the
integration of social media in their marketing and communication strategies.

However, SMEs often lack employees and skills to dedicate to these activities (Resnick et al., 2016). In fact, from our research, it emerged that professionals develop social media marketing
activities for their company often not as a priority task but devote only a part of their work efforts.
Nowadays, digital channels have become even more central, and it has become necessary for SMEs
to acquire the skills necessary for their management to achieve marketing objectives. Yet, managers
should invest in the nurturing of individual employees’ skills as these ones may be adapted to social
media management amidst a crisis. This paper, focusing on the objectives achievable by SMEs
through different social media, suggests to professionals how to use these different digital
touchpoints and their possible benefits. For example, the research showed that LinkedIn is a useful
tool for establishing relationships with stakeholders; Pinterest is a platform to reach B2B clients,
and YouTube provides post-purchase assistance and advises consumers on how to use and care for
purchased products. Integration of these tools with the other digital touchpoints, considering the
objectives indicated by our results, would benefit the strategies and the achievement of the marketing and communication objectives of SMEs.

Social media objectives shall be carefully set to select the right platform. Whether the objective is to share content or raise brand awareness, LinkedIn or Twitter may be sufficient (Vernucci and Ceccotti, 2015). In the case SMEs wish to sell products or gather feedback from consumers, social media such as Facebook, Instagram, or Pinterest are more appropriate.

Indeed, more specifically, our study reveals that the proximity to the target audience and the visibility by publishing content on social media platforms are the main benefits for SMEs. In addition, the possibility to communicate in real-time with stakeholders is a key point for SMEs marketing and communication professionals.

In other words, our research highlights that the appropriate use of social media would allow these companies to engage customers and partners, obtain feedbacks and initiate new collaborative relationships with partners and stakeholders. Social media, therefore, represent an opportunity to approach new networks that are more difficult to reach in the traditional world.

7 Limitations and future research

This study provides evidence of the benefits of digital and social media adoption among SMEs during a disruptive situation such as the COVID-19 outbreak. However, it suffers from some limitations concerning the findings’ generalizability since a limited sample of SMEs operating in one country, i.e., Italy, was analyzed. Furthermore, the research did not consider the perspective of SMEs’ customers and other stakeholders, e.g., partners, distributors etc. Future research could
adopt quantitative methodologies to investigate the perception of consumers and buyers, as well as the effects on sales and engagement generated by the content shared by SMEs on social media.

Additionally, a researcher may first try to explore the phenomenon from a cross-country point of view. The need to explore the phenomenon focusing on large and multi-national businesses may bring different results (Rialti et al., 2018), in particular, what concerns the ways they reconfigured during the crisis.

References


Figure 1. A Framework summarizing challenges and results of SMEs’ social media adoption

Source: Authors’ elaboration deriving from the data analysis
Table 1. List of Interviewed Key Informants

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Size (N employees)</th>
<th>Headquarter</th>
<th>Business role of key informants</th>
<th>Interview Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>α</td>
<td>Electronics</td>
<td>15</td>
<td>Pescara, Abruzzo</td>
<td>1) Social media manager</td>
<td>July 2020</td>
</tr>
<tr>
<td>β</td>
<td>Luxury utensils</td>
<td>50</td>
<td>Lecco, Lombardy</td>
<td>1) Marketing manager</td>
<td>July 2020</td>
</tr>
<tr>
<td>γ</td>
<td>Electronics</td>
<td>10</td>
<td>Monza e Brianza, Lombardy</td>
<td>1) Marketing and business development manager</td>
<td>September 2020</td>
</tr>
<tr>
<td>δ</td>
<td>Computer technology</td>
<td>5</td>
<td>Cosenza, Calabria</td>
<td>1) Marketing and communication manager</td>
<td>September 2020</td>
</tr>
<tr>
<td>ε</td>
<td>Bottle caps</td>
<td>100</td>
<td>Vicenza, Veneto</td>
<td>1) Partner and sales director</td>
<td>October 2020</td>
</tr>
<tr>
<td>ζ</td>
<td>Home installations</td>
<td>15</td>
<td>Vicenza, Veneto</td>
<td>1) CEO</td>
<td>October 2020</td>
</tr>
<tr>
<td>η</td>
<td>Luxury furniture</td>
<td>50</td>
<td>Monza and Brianza, Lombardy</td>
<td>1) CEO</td>
<td>October 2020</td>
</tr>
<tr>
<td>θ</td>
<td>Luxury design</td>
<td>10</td>
<td>Varese, Lombardy</td>
<td>1) Marketing manager</td>
<td>March 2021</td>
</tr>
<tr>
<td>ι</td>
<td>Legal and tax services</td>
<td>200</td>
<td>Milan, Lombardy</td>
<td>1) Partner and marketing manager</td>
<td>July 2020</td>
</tr>
<tr>
<td>κ</td>
<td>Consultancy services</td>
<td>15</td>
<td>Milan, Lombardy</td>
<td>1) CEO</td>
<td>October 2020</td>
</tr>
<tr>
<td>λ</td>
<td>IT services</td>
<td>50</td>
<td>Pavia, Lombardy</td>
<td>1) Web marketing manager; 2) Digital and CRM manager</td>
<td>October 2020</td>
</tr>
<tr>
<td>µ</td>
<td>Luxury jewellery</td>
<td>15</td>
<td>Monza and Brianza, Lombardy</td>
<td>1) Sales director</td>
<td>July 2020</td>
</tr>
<tr>
<td>ν</td>
<td>Food and beverage</td>
<td>10</td>
<td>Imperia, Liguria</td>
<td>1) Owner</td>
<td>January 2021</td>
</tr>
<tr>
<td>ξ</td>
<td>Food and beverage</td>
<td>10</td>
<td>Bari, Puglia</td>
<td>1) Owner</td>
<td>January 2021</td>
</tr>
<tr>
<td>Ω</td>
<td>Food and beverage</td>
<td>15</td>
<td>Milan, Lombardy</td>
<td>1) Partner</td>
<td>November 2020</td>
</tr>
<tr>
<td>Π</td>
<td>Luxury Design</td>
<td>50</td>
<td>Florence, Tuscany</td>
<td>1) CEO</td>
<td>June 2021</td>
</tr>
<tr>
<td>Ρ</td>
<td>Manufacturing</td>
<td>15</td>
<td>Florence, Tuscany</td>
<td>1) CEO</td>
<td>June 2021</td>
</tr>
<tr>
<td>σ</td>
<td>Luxury Design</td>
<td>100</td>
<td>Arezzo, Tuscany</td>
<td>1) CEO</td>
<td>July 2021</td>
</tr>
</tbody>
</table>

Source: Authors’ Elaboration

Table 2. Interview Protocol

<table>
<thead>
<tr>
<th>Topic</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background (company and professional)</td>
<td>• What are your company’s main products?</td>
</tr>
<tr>
<td></td>
<td>• Can you describe who your customers are?</td>
</tr>
<tr>
<td></td>
<td>• What are your main competitors in the Italian market?</td>
</tr>
<tr>
<td></td>
<td>• What role do you play in the company?</td>
</tr>
<tr>
<td></td>
<td>• How many years have you worked in this company?</td>
</tr>
</tbody>
</table>
Marketing activities

- What are the main marketing activities you carried out before the pandemic?
- Has the pandemic impacted any of them? How?
- In your opinion, what are the most important marketing tools for a SME that operates in your specific industry?
- Is it possible to know your annual budget for marketing activities? Please specify the percentage for online and offline activities.

Social media adoption

- Which social media accounts has your company developed so far?
- What role do social media play in your marketing strategy?
- What are the main objectives pursued by your company on each social network?
- In your opinion, how do social media affect the consumer’s purchasing choice?
- Does your company manage social media internally or are they outsourced?
- Who are your main target audiences on social media?
- How do you manage the relationships with your customers on social media?
- How does your company integrate social media activities with other marketing and communication tools?
- What are the main barriers against the use of digital tools and social media among SMEs?
- Do you create newsletters? What are their main objectives?
- Has the role of social media in your company changed since the pandemic?
- Can you provide examples of how your company used social media during COVID-19 outbreaks?
- Did you launch new tools on social media during COVID-19? Can you provide some example?
- Which results has your company reached through social media use during COVID-19 outbreaks?

Source: Authors’ Elaboration

Table 3. SMEs’ social media objectives

<table>
<thead>
<tr>
<th>Social media</th>
<th>SMEs’ objectives</th>
<th>Frequency</th>
</tr>
</thead>
</table>
| LinkedIn     | a) To share contents  
b) To engage with experts  
c) To create / strengthen business relationships  
d) To increase the brand awareness  
e) To engage employees  
f) To share new ideas  
g) To exchange knowledge with experts | 16 |
| Facebook     | a) To increase brand visibility  
b) To engage users  
c) To engage employees | 15 |
| Instagram    | a) To show products  
b) To sell products | 11 |
| YouTube      | a) To show instructions for products’ use  
b) To show new products/ideas  
c) To develop brand narratives | 9 |
| Twitter      | a) To share contents with experts | 5 |
| Pinterest    | a) To reach B2B clients | 4 |
| TikTok       | a) To develop brand narratives  
b) To show products/ideas | 1 |
<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>c) To reach young target</td>
</tr>
</tbody>
</table>

*Source: Authors’ Elaboration*