BUILDING A FRAMEWORK FOR BUSINESS VISIBILITY OF MALAYSIAN SMES THROUGH SEARCH ENGINE OPTIMIZATION (SEO): A CONCEPTUAL PAPER

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Abstract:

Search Engine Optimization and digital capabilities have emerged as critical drivers for enhancing business visibility and achieving sustainable growth among Malaysian Small and Medium-sized Enterprises, which often face resource constraints in competitive digital landscapes. However, a critical research gap persists across theoretical, SEO is frequently relegated to a technical tactic rather than being integrated as a strategic resource within the Resource-Based View. Contextually, while SMEs comprise 98.5% of Malaysian establishments and contribute 38.9% to the GDP, they face a "30% adoption paradox" where only a minority utilize SEO despite high internet penetration (88.7%) and severe resource constraints, such as 81% of firms having cash flow for only three months. Grounded in the Resource-Based View, this conceptual study positions SEO as a strategic resource amplified by firm-specific digital capabilities to enhance business visibility and foster long-term growth. Through a systematic synthesis of literature on SEO, digital marketing, SME performance, and the Malaysian context, the paper proposes a conceptual framework elucidating the moderating role of digital capabilities in the relationship between SEO utilization and business visibility, which collectively drive sustainable growth. Theoretically, it extends RBV to SEO and digital domains, offering a conceptual groundwork for empirical validation and practical guidance for Malaysian SMEs.

Introduction

Small and Medium-Sized enterprises play a central role in Malaysia's economic development, comprising 98.5% of business establishments and significantly contributing to GDP, yet they face persistent challenges related to limited financial resources, intense competition, and accelerated digitalization (Jaish et al., 2023; Mou et al., 2022, SME Corp Malaysia.,2023). In response, many Malaysian SMEs have increasingly adopted digital marketing strategies, particularly Search Engine Optimization (SEO), as a cost-effective mechanism to enhance online visibility and customer acquisition (Hoo et al., 2023; Mou et al., 2022). However, while SEO adoption has expanded, its contribution to sustained business growth remains uneven across firms.

Much of the existing literature conceptualizes SEO primarily as a technical or operational activity, focusing on keyword optimization and algorithmic compliance, which offers limited explanations for why similar practices produce different performance outcomes (Hoo et al., 2023; Mou et al., 2022). This study argues that observing this diversity requires shifting focus from external tactics to internal firm resources. Accordingly, this paper adopts the Resource-Based View (RBV) as its underpinning theoretical lens, which posits that a firm's unique, valuable, rare, inimitable, and non-substitutable assets are primary determinants of sustainable competitive advantage (Jaish et al., 2023).

Despite evidence that SEO boosts traffic and RBV drives digital growth, minimal scholarship fuses SEO specifically as a valuable, rare, inimitable, non-Substitutable (VRIN) strategic resource with broader digital capabilities to explain performance diversity or probe digital capabilities moderating influence on sustainable growth (Hoo et al., 2023; Jaish et al., 2023; Mou et al., 2022). Addressing this need, this study develops a conceptual framework that examines how strategic SEO utilization, embedded within a firm's business visibility and moderated by digital capabilities, contributes to the sustainable growth of Malaysian SMEs within an RBV context (Jaish et al., 2023; Mou et al., 2022).

Literature Review

Theoretical Underpinnings: Resource-Based View and SME Performance

The Resource-Based View (RBV) posits that sustained competitive advantage stems from firm-specific resources and capabilities that are valuable, rare, inimitable, and non-substitutable (Jaish et al., 2023). This "inside-out" perspective is particularly pertinent for Malaysian SMEs, which form the backbone of the economy but contend with resource constraints, including limited budgets, manpower shortages, and technology access (Jaish et al., 2023; Mou et al., 2022; Nurlan et al., 2024). RBV illuminates how proprietary internal assets foster organizational agility amidst turbulent digital ecosystems (Jaish et al., 2023).

In the digital era, firm-level digital capabilities, such as web analytics proficiency, adaptive strategies, and data-driven decision-making, embody these VRIN qualities (Mou et al., 2022). These capabilities are crucial for facilitating the seamless integration of Search Engine Optimization (SEO), thereby elevating organic traffic and long-term growth. While traditional RBV can be perceived as static in dynamic digital environments marked by evolving search algorithms and shifting consumer behaviours, its application extends through the dynamic capabilities framework (Jaish et al., 2023). This framework emphasizes firms' capacity to integrate, build, and reconfigure internal competencies to adapt to change. Capabilities like advanced optimization techniques and adaptive personalization embody inimitable assets, enabling SMEs to continuously refine their SEO resources and outperform rivals (Mou et al., 2022). This integration ensures the sustained value, rarity, and inimitability of SEO capabilities, driving market penetration, brand equity, and competitive advantage for resource-scarce Malaysian SMEs (Egodawele et al., 2022; Mou et al., 2022; Nurlan et al., 2024).

A key research gap remains where many studies treat SEO as an operational tool rather than explicitly conceptualizing it as a firm-specific strategic resource within an RBV framework, particularly for Malaysian SMEs (Hoo et al., 2023). This oversight fails to adequately explain why some SMEs achieve sustainable competitive advantage and superior growth from SEO, while others, despite similar operational efforts, do not (Jaish et al., 2023). Our framework addresses this by positioning SEO as a VRIN resource whose effectiveness is amplified by robust, dynamic digital capabilities. In this study, SEO utilization is operationalized through the four VRIN dimensions (valuable, rare, inimitable, and non-substitutable), which serve as the core independent variables to measure its impact on business growth and business visibility among Malaysian SMEs.

SEO Utilisation as an Intangible Strategic Resource

SEO, when effectively integrated with web analytics, functions as a powerful strategic resource for Malaysian SMEs, primarily embodying the VRIN characteristics (Barney, 1991; Mou et al., 2022).

The first SEO utilisation is valuable, which SEO directly enhances online presence, attracts potential customers, and provides a competitive edge by reducing marketing expenses and boosting sales revenue (Hoo et al., 2023; Mou et al., 2022). It allows for data-driven refinements that optimize reach and engagement, fostering sustained business growth, market competitiveness (Ijomah et al., 2024; Mou et al., 2022), and leading to improved conversion rates and brand recognition by identifying and targeting niche markets (Hoo et al., 2023).

Secondly SEO utilisation is also rare, because the effective utilization of SEO is not universal. Its rarity stems from accumulated organizational knowledge, experiential learning, and routine-based implementation that are not readily available to all competitors (Hoo et al., 2023). This nuanced application of SEO can significantly differentiate an SME's online promotion strategies (Hoo et al., 2023).

And third SEO utilisation is inimitable, the inimitable nature of robust SEO lies in its complex interplay of various optimized components tailored to specific market contexts and tacit knowledge, making it difficult for rivals to replicate the exact blend of practices (Mou et al., 2022). This unique configuration, developed through firm-specific capabilities, creates a distinctive and hard-to-imitate asset.

Lastly SEO utilisation is also non-substitutable, while other marketing channels exist, the sustained, cost-effective, and organic reach provided by highly ranked search visibility makes effective SEO relatively non-substitutable for long-term online growth and customer acquisition (Ijomah et al., 2024; Mou et al., 2022). It provides a foundational online presence that other channels often complement.

This alignment with the RBV framework underscores that strategic SEO implementation, particularly when combined with strong digital capabilities, transcends mere technical activity to become a critical source of sustained competitive advantage for Malaysian SMEs (Jaish et al., 2023; Purwanti et al., 2022).

Digital Capability as Dynamic Capabilities: Drivers of Sustainable Success

Building on the RBV framework and SEO's role as a strategic resource outlined previously which qualifies SEO dimensions like techniques and competitiveness as VRIN assets driving online promotion and visibility for Malaysian SMEs (Hoo et al., 2023; Mou et al., 2022) this section explores digital capabilities as pivotal drivers of business growth and sustainable success. Argue that digital capabilities (like data-driven decision-making and web analytics proficiency) are the "dynamic" forces that allow an SME to adapt their SEO strategies in a volatile digital market (Jaish et al., 2023; Mou et al., 2022). Digital capabilities, encompassing web analytics proficiency, data-driven decision-making, and adaptive digital strategies, extend SEO's "inside-out" logic by enabling SMEs to reconfigure resources amid resource constraints, shifting consumer behaviours, and limited budgets(Mou et al., 2022; Nurlan et al., 2024). Empirical studies affirm that higher digital maturity marked by integrated web analytics and SEO correlates with superior SME growth trajectories, particularly in emerging economies like Malaysia, where technology and service sectors outperform manufacturing due to enhanced customer engagement and market dynamics(Mou et al., 2022).

This synergy positions digital capabilities as non-substitutable complements to SEO, fostering sustainable success by bridging visibility gains to tangible outcomes like market penetration and brand capital in resource-scarce settings (Jaish et al., 2023). Malaysian SMEs leveraging these capabilities overcome barriers such as manpower shortages and evolving trends, achieving heterogeneous growth impacts that align with RBV's emphasis on resource complementarity(Mou et al., 2022; Nurlan et al., 2024). Thus, this review underscores digital capabilities' role in propelling Malaysian SMEs toward enduring growth, setting the stage for examining their interplay with contextual factors (Hoo et al., 2023; Jaish et al., 2023).

Contextual Factors Influencing SEO And Digital Capability

The dynamic nature of search engine algorithms and the rapidly evolving digital landscape necessitate continuous adaptation in SEO strategies, posing a significant challenge for Malaysian SMEs often constrained by limited financial resources and a dearth of skilled personnel (Jaish et al., 2023; Mou et al., 2022). These pervasive contextual factors directly impede an SME's ability to develop robust digital capabilities encompassing specialized knowledge, analytics proficiency, and adaptive routines which are essential for effectively implementing the various dimensions of SEO (on-page, off-page, local, technical) (Mou et al., 2022). Consequently, these constraints hinder the strategic development of SEO from becoming a Valuable, Rare, Inimitable, and Non-substitutable resource, thereby limiting its potential to generate sustainable competitive advantage and overall business growth (Jaish et al., 2023).

This interplay underscores a critical research gap: understanding how these specific contextual realities impede or enable the strategic, Resource-Based View-driven utilization of SEO, and how this explains the pronounced performance heterogeneity observed among Malaysian SMEs (Ijomah et al., 2024).

The Role of SEO in Business Visibility: An Intermediate Competitive Outcome

Building on SEO as a VRIN resource under RBV and its synergy with digital capabilities for Malaysian SME growth (Hoo et al., 2023; Jaish et al., 2023; Mou et al., 2022), this section examines SEO's role in driving growth via visibility. Explain that in the RBV framework, competitive advantage doesn't lead to instant profit; it first leads to intermediate outcomes like market prominence and business visibility (Hoo et al., 2023; Mou et al., 2022). SEO amplifies organic reach, helping resource-constrained SMEs overcome digital barriers; Malaysian evidence shows competitiveness and experience boost online promotion, revenue, and market share (Hoo et al., 2023; Mou et al., 2022). Cost-effective compared to paid ads, SEO attracts qualified traffic and nurtures relationships amid shifting behaviours (Nurlan et al., 2024).

Extending RBV's "inside-out" logic, SEO complements web analytics for heterogeneous gains like engagement and scalability in tech/services (Mou et al., 2022). Prioritizing SMEs achieve superior positioning via adaptive techniques (Hoo et al., 2023); data integration sustains growth, filling organic strategy gaps (Mou et al., 2022; Nurlan et al., 2024).

Thus, SEO enables visibility-driven growth, reinforcing resource complementarity amid Malaysian challenges (Hoo et al., 2023; Jaish et al., 2023).

Synthesis: An Integrated RBV-Dynamic Capabilities Framework for SME Growth

This section proposes an integrated conceptual model that synthesizes the Resource-Based View and Dynamic Capabilities to explain the mechanisms of sustainable growth for Malaysian SMEs (Chumphong et al., 2020; Egodawele et al., 2022). While existing literature often treats digital marketing as a collection of technical tools, this framework moves toward a "Resource-Capability-Outcome" logic, providing an overarching model to guide future empirical validation (Chinakidzwa & Phiri, 2020; Egodawele et al., 2022).

The theoretical chain begins with SEO utilization as a strategic resource. Grounded in the RBV, SEO is categorized as an intangible asset that is path-dependent and socially complex, fulfilling the criteria of being valuable, rare, and difficult to imitate (Hoo et al., 2023; Krajčík et al., 2023). However, scholars have criticized a purely resource-based approach for being "static," noting that the mere possession of a resource like SEO is insufficient to guarantee superior performance (Chinakidzwa & Phiri, 2020; Purwanti et al., 2022). Within this framework, digital capabilities such as web analytics proficiency and data-driven agility function as the higher-order dynamic capabilities necessary to "sense, seize, and reconfigure" these digital resources (Hoang et al., 2025; Joensuu-Salo & Matalamäki, 2023). Consequently, digital capabilities are positioned as the moderating force that determines the extent to which SEO utilization can be converted into measurable value (in & 2025, n.d.; Purwanti et al., 2022).

This synergy between resources and capabilities culminates in business visibility, which serves as the intermediate competitive outcome (Al-Haraizah et al., 2025; Mou et al., 2022). In the Malaysian context, this visibility is a critical survival mechanism; although the nation boasts high internet penetration (88.7%), a "30% adoption paradox" exists where only a minority of SMEs successfully utilize SEO to capture market share (Hoo et al., 2023; Jaish et al., 2023). For the 98.5% of Malaysian businesses that are SMEs, many of whom face severe resource constraints, with 81% possessing only three months of cash reserves, the ability to leverage digital capabilities to amplify SEO results is essential (Hoo et al., 2023; Jaish et al., 2023). By establishing this theoretical link, the proposed framework addresses the empirical gap regarding why some firms fail despite having similar access to digital tools, offering a substantive basis for achieving sustainable growth and enhancing national GDP contributions (38.9%) (Barragan & Becker, 2024; Jaish et al., 2023; Joensuu-Salo & Matalamäki, 2023).

SEO Adoption Challenges for SMEs

Despite SEO's significant potential for business growth, Malaysian SMEs face substantial obstacles in its adoption and effective implementation, notably pervasive resource limitations, a dearth of skilled personnel, and financial constraints (Jaish et al., 2023; Mou et al., 2022). These challenges lead to lower rates of strategic SEO utilization compared to larger enterprises, impeding their digital market penetration and sustained growth Mou et al., 2022).

Critically, these constraints hinder the development and application of SEO's various dimensions (on-page, off-page, local, technical) into the valuable, rare, inimitable, and non-substitutable strategic resources envisioned by the Resource-Based View (Jaish et al., 2023). This limitation in fostering robust digital capabilities essential for interpreting web analytics and devising sophisticated SEO strategies prevents many SMEs from adapting to the dynamic digital landscape and leveraging SEO for competitive advantage (Mou et al., 2022). Consequently, these difficulties contribute significantly to the observed performance heterogeneity across Malaysian SMEs, underscoring a key research gap in understanding how contextual factors and internal capabilities interact to explain varied business growth outcomes from similar SEO efforts.

Research Gap

Despite the growing recognition of Search Engine Optimization's role in digital marketing and its potential for business growth, a significant research gap persists in adequately theorizing its contribution, particularly within the context of Malaysian Small and Medium-sized

Enterprises. The existing literature, while abundant in describing SEO's technical aspects and operational benefits, largely overlooks the strategic conceptualization necessary to explain the differential outcomes observed among firms.

Firstly, a primary conceptual gap lies in the insufficient integration of SEO as a firm-specific strategic resource within the Resource-Based View framework (Jaish et al., 2023). Most studies treat SEO predominantly as a generic, operational tool focusing on technical implementation (e.g., keyword optimization, website structure, algorithmic compliance) (Mou et al., 2022; Sechele et al., 2024). This operational focus leads to a superficial understanding of how and why SEO drives sustainable competitive advantage, as it fails to account for the unique, internal resources and capabilities (such as specialized knowledge, skilled personnel, and adaptive routines) that enable one SME to leverage SEO more effectively than another (Hoo et al., 2023). Consequently, these studies cannot fully explain the performance diversity observed among SMEs, where similar SEO practices yield varied business growth outcomes (Jaish et al., 2023; Li & Ming, 2024). There is a lack of research explicitly articulating how SEO embodies the Valuable, Rare, Inimitable, and Non-substitutable characteristics crucial for sustained competitive advantage under the RBV.

Secondly, while existing research applies RBV to broader digital marketing capabilities or intangible resources in Malaysian SMEs (Jaish et al., 2023; Purwanti et al., 2022), it rarely disaggregates and explicitly positions SEO as a VRIN-aligned strategic resource to account for performance variation. This leads to a fragmented understanding, where the links between specific SEO dimensions (e.g., on-page, off-page, local, technical SEO) and business growth are often presented as associations rather than through a robust theoretical mechanism explaining the sustainability of that growth (Hoo et al., 2023; Mou et al., 2022). The current literature thus falls short in providing a coherent, theory-driven explanation for why certain SEO practices, when underpinned by specific firm capabilities, lead to sustained superior performance.

Finally, an empirical and contextual gap exists concerning Malaysian SMEs. While the "Findings" section highlights the scarcity of empirical research and targeted training programs in this specific context (Hoo et al., 2023), the conceptual void regarding SEO as an RBV resource further compounds this issue. Without a strong theoretical foundation, it becomes challenging to design effective interventions or training programs that focus on developing the underlying firm capabilities necessary for strategic SEO utilization.

This study aims to bridge these gaps by developing a conceptual framework that explicitly positions SEO utilization as a firm-specific VRIN strategic resource, moderated by online promotion, to explain its impact on business growth among Malaysian SMEs through the lens of the Resource-Based View theory (Hoo et al., 2023; Samat et al., 2020).
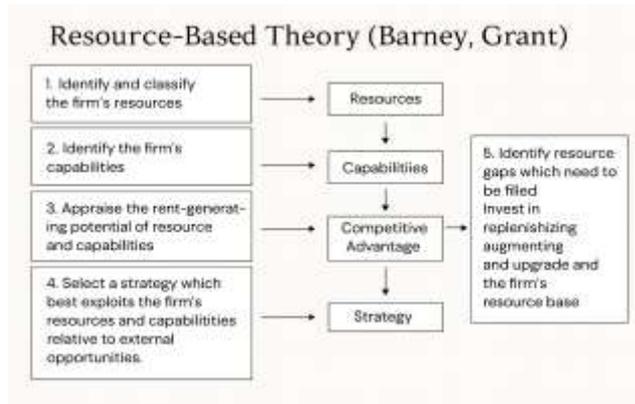
Conceptual Framework

Figure 1: Resource-Based Theory Concept Source

Source: Barney 1991,2001

The theoretical foundation of this study rests firmly on the Resource-Based View, a prominent strategic management framework initially articulated by Barney. As illustrated in Figure 1: Resource-Based Theory, the RBV posits that a firm's sustained competitive advantage and superior performance are derived from its unique internal resources and capabilities that are Valuable, Rare, Inimitable, and Non-substitutable. Barney's framework outlines a systematic process: beginning with the identification and classification of a firm's diverse resources, followed by the recognition of its capabilities and the firm's capacity to deploy these resources. These are then appraised for their potential to generate economic rents, leading to a competitive advantage. Finally, a strategy is selected that best exploits these resources and capabilities relative to external opportunities. This dynamic process includes identifying resource gaps and continuously investing in replenishing, augmenting, and upgrading the resource base to maintain strategic rents [Barney, 1991].

Building upon this foundational RBV model, Figure 2: Main Elements of the Conceptual Framework integrates the Resource-Based View with digital capability theory to explain how SEO utilization influences business growth among Malaysian SMEs. This framework posits that digital transformation, including digital marketing technologies like SEO, positively impacts profitability, revenue growth, and operational efficiency within SMEs (Li & Ming, 2024).
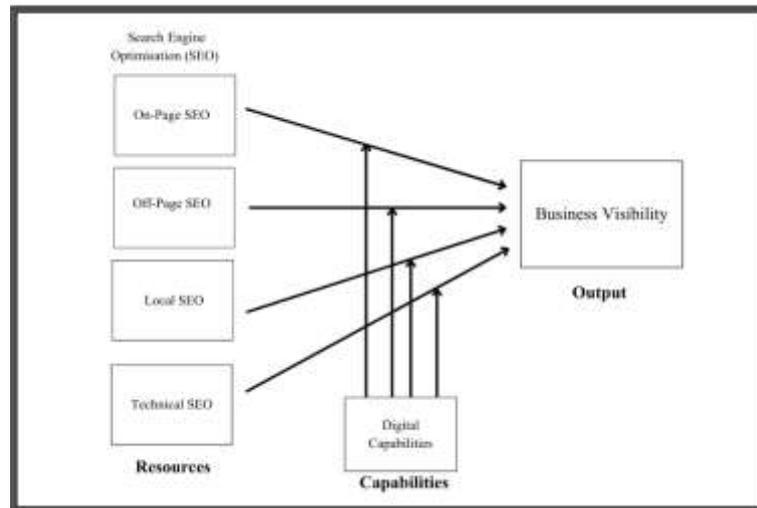
Figure 2: Main Elements of the Conceptual Framework (RBV)

This framework, depicted in Figure 2, integrates the Resource-Based View with the dynamic capabilities perspective to elucidate how SEO utilization, conceptualized as a Valuable, Rare, Inimitable, and Non-substitutable strategic resource, influences sustainable growth for Malaysian SMEs by enhancing business visibility (in & 2025, n.d.; Jaish et al., 2023). It posits that the development and deployment of SEO, embedded within a firm's overarching digital capabilities such as web analytics proficiency and adaptive strategies, confers a sustainable competitive advantage that elevates business visibility and ultimately translates into improved profitability, revenue growth, and operational efficiency (Jaish et al., 2023; Mou et al., 2022). This perspective emphasizes the role of contextual factors, such as sectoral variations and resource constraints, in determining the effectiveness of digital transformation initiatives, offering a nuanced understanding of why technology and service sectors often outperform manufacturing through enhanced market positioning and engagement (Mou et al., 2022; Nurlan et al., 2024). This conceptualization highlights that a comprehensive understanding of the mechanisms specifically business visibility and resource alignment through which digital adoption drives financial outcomes, is crucial for optimizing digital transformation efforts within Malaysian SMEs (Jaish et al., 2023; Mou et al., 2022). Consequently, this study addresses the critical need for further research in Malaysia concerning the influence of SEO dimensions and online promotion on SMEs, particularly given the limited existing literature that links these internal capabilities to tangible business results and addresses how VRIN resources surmount visibility hurdles (Hoo et al., 2023; Jaish et al., 2023; Mou et al., 2022).

Methodology

This study adopts a conceptual research design cantered on theory synthesis and structured literature integration to develop an integrated framework examining SEO as a VRIN strategic resource, its synergy with digital capabilities, and their moderated impacts on sustainable growth for Malaysian SMEs under the RBV lens. Eschewing primary empirical data collection, the approach systematically reviews and synthesizes peer-reviewed literature from strategic management, digital marketing, and SME domains, prioritizing contexts like Malaysia and emerging economies (Mou et al., 2022; Zamri et al., 2024). Theory synthesis identifies, compares, and integrates core perspectives including the Resource-Based View, Dynamic

Capabilities Theory, and digital transformation models to elucidate resource complementarity, visibility enhancement, and contextual barriers such as resource constraints and skills gaps (Jaish et al., 2023; Li & Ming, 2024). Structured literature integration adheres to a rigorous PRISMA-inspired process(Mou et al., 2022; Zamri et al., 2024), encompassing comprehensive searches across databases like Scopus, Web of Science, Google Scholar, and ScienceDirect using Boolean keywords (e.g., "SEO" OR "search engine optimization" AND "digital capabilities" OR "web analytics" AND "SME growth" OR "Malaysian SMEs" AND "RBV" OR "Resource-Based View"), stringent inclusion criteria (relevance to SEO dimensions, digital capability synergies, SME performance in Malaysia/emerging markets; peer-reviewed; 2020–2024), quality appraisal via checklists assessing methodological rigor and contextual fit(Zamri et al., 2024), and thematic synthesis of over 25 studies to ensure theoretical robustness and practical relevance for Malaysian SME contexts without empirical biases(Hoo et al., 2023; Nurlan et al., 2024).

Findings

The synthesis of the reviewed literature reveals several critical insights regarding the impact of SEO and digital capabilities on business growth for Malaysian SMEs.

Table 1: Synthesis of Literature on SEO, Digital Capabilities, and Business Growth among Malaysian SMEs

Findings	Analysis Focus	Literature Evidence	Synthesis Findings
1.Online Visibility and customer engagement	Literature synthesis	Prior studies consistently demonstrate that SEO adoption enhances online visibility and user interaction, particularly when supported by strong digital capabilities (Mou et al., 2022; Sechele et al., 2024).	The literature indicates that Malaysian SMEs that proactively implement SEO strategies experience higher search rankings, increased website traffic, and stronger customer engagement, contributing directly to business growth.
2. Localised SEO strategy effectiveness	Conceptual and empirical review	Research highlights the importance of adapting SEO strategies to local market characteristics, language, and cultural context to improve relevance and conversion outcomes (Mou et al., 2022).	Tailoring SEO practices to Malaysian consumer behaviour maximises traffic acquisition and conversion effectiveness, reinforcing the role of contextualised digital strategies for SMEs.
3.Data-driven SEO and	Analytical synthesis	Studies emphasise the role of web analytics and performance	Evidence suggests that SMEs using data-driven SEO approaches

performance optimisation		monitoring in refining SEO strategies and responding to algorithm changes (Mou et al., 2022).	strengthen brand authority, improve conversion rates, and sustain competitive advantage in digital markets.
4. Barriers to SEO adoption among SMEs	Critical literature review	Limited empirical research and insufficient targeted training programmes hinder SMEs' understanding of SEO's long-term benefits and technical complexity (Hoo et al., 2023).	The lack of structured guidance and digital literacy remains a key obstacle, restricting effective SEO utilisation and slowing digital transformation among Malaysian SMEs.
5. Digital capability development and competitiveness	Integrative review	Sustained investment in digital skills and strategic SEO implementation is linked to improved competitiveness and alignment with national digital economy goals (Mou et al., 2022; Sechele et al., 2024).	The literature collectively suggests that strengthening digital capabilities enables SMEs to fully leverage SEO, resulting in measurable growth outcomes and enhanced resilience.
6. Impact of specific SEO practices on performance metrics	Empirical evidence synthesis	Empirical findings show that content marketing, technical SEO, and keyword optimisation can increase website traffic by up to 30% and improve click-through rates by 20–40% (Sechele et al., 2024).	Effective SEO practices deliver quantifiable improvements in digital performance metrics, reinforcing SEO as a strategic growth tool rather than a short-term marketing tactic.

The systematic synthesis of the reviewed literature provides several critical insights regarding the impact of SEO utilization and digital capabilities on business growth for Malaysian SMEs, particularly when viewed through the lens of the Resource-Based View. These findings collectively reinforce the study's core argument and highlight the persistent research gap concerning performance diversity among SMEs in leveraging SEO. These critical insights are concisely summarized in Table 1: Synthesis of Literature on SEO, Digital Capabilities, and Business Growth among Malaysian SMEs.

The Critical Role of Localised and Data-Driven SEO Strategies

Studies underscore the importance of tailoring SEO strategies to local market nuances and cultural contexts to maximize their effectiveness in driving traffic and conversions (Mou et al., 2022). Research emphasizes adapting SEO strategies to Malaysian consumer behaviour, z,, language, and market characteristics to improve relevance and conversion outcomes, thereby reinforcing the role of contextualized digital strategies for SMEs (Mou et al., 2022). Furthermore, the research indicates that data-driven decision-making, facilitated by web analytics, is pivotal for SMEs to optimize their SEO efforts and adapt to evolving search engine algorithms. Evidence suggests that SMEs using data-driven SEO approaches strengthen brand authority, improve conversion rates, and sustain competitive advantage in digital markets (Mou et al., 2022). This continuous refinement based on performance monitoring and response to algorithm changes is crucial for strengthening brand authority and achieving higher conversion rates (Mou et al., 2022). This highlights that SEO's value and inimitability stem from its intelligent, adaptive application, rooted in specific market understanding and analytical prowess.

Tangible Impact of Specific SEO Practices on Performance Metrics

Effective SEO practices deliver quantifiable improvements in digital performance metrics, reinforcing SEO as a strategic growth tool rather than a short-term marketing tactic. Specifically, effective SEO practices, such as robust content marketing, technical SEO enhancements, and precise keyword optimization, have been shown to significantly improve digital performance metrics (Sechele et al., 2024). These include observed increases of up to 30% in website traffic and a 20% to 40% improvement in click-through rates (Sechele et al., 2024). Moreover, the systematic review reveals that effective SEO strategies can yield a 10% to 25% improvement in conversion rates (Sechele et al., 2024), directly contributing to sales revenue and decreasing marketing expenses for Malaysian SMEs (Hoo et al., 2023; Pranata et al., n.d.). This demonstrates that when SEO is strategically aligned and supported by robust digital capabilities, it translates into measurable and sustained economic benefits for the firm, affirming SEO's role as a valuable and non-substitutable resource for business growth.

Barriers to SEO Adoption and the Exacerbated Research Gap

However, a significant barrier to effective SEO adoption among Malaysian SMEs is the scarcity of empirical research and targeted training programs, leading to a lack of understanding regarding SEO's long-term benefits and implementation complexities (Hoo et al., 2023). The lack of structured guidance and digital literacy remains a key obstacle, restricting effective SEO utilization and slowing digital transformation among Malaysian SMEs (Hoo et al., 2023). These contextual challenges, including resource limitations, a dearth of skilled personnel, and difficulties in interpreting web analytics data (Jaish et al., 2023; Mou et al., 2022), directly impede an SME's ability to leverage SEO as a strategic resource. These factors explain why effective SEO utilization remains rare and difficult to imitate, contributing significantly to the performance heterogeneity observed across SMEs. This situation reinforces the research gap in understanding how these specific contextual realities interact with the Resource-Based View framework to explain the pronounced performance heterogeneity in business growth despite similar SEO adoption efforts.

Digital Capability Development as a Catalyst for Competitiveness

Finally, despite the acknowledged challenges, the collective evidence suggests that sustained investment in digital skills and strategic SEO implementation can significantly improve SME competitiveness and contribute to broader national digital economy objectives (Mou et al., 2022; Sechele et al., 2024). The literature collectively suggests that strengthening digital capabilities enables SMEs to fully leverage SEO, resulting in measurable growth outcomes and enhanced resilience (Mou et al., 2022; Sechele et al., 2024). This underscores the necessity for targeted interventions and policy support to bridge the digital divide and empower Malaysian SMEs to fully harness the potential of SEO for sustainable growth (Hoo et al., 2023). This implies that digital capability development is a higher-order resource that enables the full realization of SEO's VRIN characteristics, transforming it into a powerful driver for business growth and sustained competitive advantage.

Conclusion

This conceptual study embarked on bridging a critical research gap by explicitly positioning Search Engine Optimization utilization as a firm-specific strategic resource within the Resource-Based View framework, specifically to explain its contribution to business growth among Malaysian Small and Medium-sized Enterprises. Moving beyond the predominant operational and technical perspectives on SEO, this paper argued that the observed performance heterogeneity in business growth among SMEs cannot be fully explained without considering the internal, unique capabilities that render SEO activities valuable, rare, inimitable, and non-substitutable. This framework provides a crucial lens for understanding why similar SEO practices yield divergent outcomes across firms.

The synthesis of literature demonstrated that while all types of SEO on-page, off-page, local, and technical are crucial for enhancing online visibility and customer engagement (Ijomah et al., 2024; Sechele et al., 2024), their capacity to drive sustained business growth is contingent upon their strategic integration and underpinning by robust firm-specific digital capabilities (Hoo et al., 2023). These capabilities, encompassing skilled personnel, analytics proficiency, and adaptive routines (Amaya et al., 2024; Egodawele et al., 2022), empower SMEs to not only implement but also effectively navigate the dynamic nature of search engine algorithms and adapt to evolving digital landscapes (Mou et al., 2022). It is through this continuous adaptation and data-driven refinement that SEO efforts are transformed into a source of competitive advantage (Hoo et al., 2023; Mou et al., 2022). Indeed, SEO contributes to growth only when embedded within these potent digital capabilities, allowing Malaysian SMEs to leverage search engines effectively, gain access to global markets, and compete more robustly with larger enterprises (Hoo et al., 2023). This not only enhances online visibility and customer acquisition but also significantly decreases marketing expenses and demonstrably increases sales revenue for Malaysian SMEs (Hoo et al., 2023; Pranata et al., n.d.). The literature unequivocally supports the tangible benefits, with systematic reviews indicating that effective SEO strategies can yield a substantial 10% to 25% improvement in conversion rates, albeit subject to the quality of implementation and prevailing market conditions (Sechele et al., 2024). Conversely, the discussion also underscored how contextual factors prevalent in Malaysia, such as limited financial resources, a dearth of skilled personnel, and challenges in interpreting web analytics data (Jaish et al., 2023; Mou et al., 2022), significantly impede an SME's ability to develop and leverage these strategic digital capabilities, thereby limiting the full realization of SEO's VRIN potential. This highlights why the strategic alignment of SEO with broader digital marketing

initiatives, and a robust IT infrastructure is critically important for sustained business success, particularly within competitive sectors like retail (Sechele et al., 2024).

Theoretically, this study significantly extends the Resource-Based View by providing a granular application to specific digital marketing capabilities. It offers a nuanced understanding of how digital tools, when integrated strategically with firm-specific resources and capabilities, can become potent drivers of sustained competitive advantage. By shifting the focus from generic SEO practices to the internal VRIN characteristics of SEO utilization, enabled by robust digital capabilities, this framework provides a more robust explanation for performance diversity clarifying why some Malaysian SMEs thrive in the digital marketplace while others, applying seemingly similar operational steps, do not achieve comparable business growth. This conceptualization thereby deepens our understanding of intangible resource leverage in the digital economy.

Practically, this conceptual framework offers significant implications for Malaysian SMEs, policymakers, and support agencies. For SMEs, it underscores the necessity of moving beyond merely tactical SEO implementation towards developing firm-specific digital capabilities that treat SEO as a strategic asset. This involves strategic investments in training for skilled personnel, fostering analytics proficiency, and cultivating adaptive routines to ensure continuous optimization in response to dynamic market conditions. For policymakers and industry bodies, this research advocates for targeted interventions and digital literacy programs that focus not just on technical SEO skills, but on building the strategic capacity for SMEs to effectively leverage SEO as a VRIN resource. Such initiatives are crucial for empowering Malaysian SMEs to overcome existing adoption challenges and contribute more substantially to national digital economy objectives.

As a conceptual study, this research lays a comprehensive theoretical foundation that warrants rigorous empirical validation. Future research should quantitatively test the proposed framework to measure the impact of VRIN-aligned SEO utilization and digital capabilities on the business growth of Malaysian SMEs. Further qualitative studies could explore the specific mechanisms through which contextual factors influence the development and deployment of strategic SEO resources within diverse SME sectors across Malaysia, thereby further narrowing the identified research gap.

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