



How social media applications affect B2B communication and improve business performance in SMEs



William Y.C. Wang^{a,*}, David J. Pauleen^b, Tingting Zhang^c

^a Auckland University of Technology, New Zealand

^b Massey University, New Zealand

^c Northwest A & F University, China

ARTICLE INFO

Article history:

Received 28 September 2015

Received in revised form 13 December 2015

Accepted 15 December 2015

Available online 4 January 2016

Keywords:

Social media apps

B2B collaboration

Communication

Small and medium enterprises

Media synchronicity theory

ABSTRACT

Social Media Apps (SMA) are widely used to facilitate individual communications. In company situations, they are utilized as a channel to communicate with their customers. However, studies examining how SMA have been utilized in the Business-to-Business (Social Media Benchmarking Report, 2014) context are lacking. Using a model based on Media Synchronicity Theory (MST), we present one of the first empirical studies investigating the relationship between the capabilities of SMA (transmission velocity, parallelism, symbol sets, rehearsability, and reprocessability) and B2B communication and business performance. Five case studies based on face-to-face interviews with the senior managers/owners of SME (Small and Medium Enterprises) were conducted. The data were analyzed and the findings confirmed the SMA media capabilities as explained by MST. The findings also revealed a missing SMA capability, that of information security and control, which has been added to the proposed model and which may be an important addition to MST. This study calls for more research to verify this finding.

© 2015 Elsevier Inc. All rights reserved.

1. Introduction

According to a recent report by McKinsey, the speed of adoption of social media apps (SMA) such as LINE, WeChat, Facebook and What's Up by companies is increasing rapidly over time (McKinsey&Company, 2014). SMA can be used to create a home page to make announcements, to share text, image and videos, to message and to set up groups for communications with customers and business partners. Companies, especially those in the industrial markets, can utilize SMA to achieve a variety of business purposes. Companies now use SMA to communicate with their customers and suppliers, to build relationships and trust, and to identify prospective trading partners (Shih, 2009), as well as to promote brands and to support the creation of brand communities (Kaplan, 2012; Leek & Christodoulides, 2011). For example, companies can create business accounts to promote their products and to share information with customers via their social media pages (Järvinen & Taiminen, 2016; example images can be seen in Appendix I). As reported, one third of B2B marketers are using SMA for generating product demand (B2B Marketing, 2014).

Previous literature mostly focuses on the adoption of such tools (e.g., Siamagka et al., 2015), somewhat surprisingly, there is a scarcity of academic reports indicating how companies use SMA for B2B communications. As pointed out by Jussila, Kärkkäinen, and Aramo-Immonen

(2014), while the importance of SMA for B2B markets has been widely accepted, the impact of SMA may not yet be realized. For example, one study indicates that 92% of marketers agree with the importance of SMA to their business (Stelzner, 2014), while from another study, only 6% of surveyed buyers claim that SMA affect their B2B buying processes and 10% of them believe that SMA help to establish a company's credibility (Huff, Edmond, & Gillette, 2014). Moreover, within the B2B context, less attention has been paid to the use of SMA by SMEs than by big enterprises (Wamba & Carter, 2014). Given that SMEs represent a significant part of most countries' economies (LaPlaca, 2011), prior studies have investigated the adoption and use of SMA by B2B SMEs (Wamba & Carter, 2014), as well as their expected benefits and barriers (Michaelidou, Siamagka, & Christodoulides, 2011). However, little research has investigated B2B performance based on SMA use.

This paper provides initial findings into how SMA are used to improve SMEs' performance in B2B communication and their business outcomes. Drawing from Media Synchronicity Theory (MST) (Dennis, Fuller, & Valacich, 2008), this study investigates the relationship between the capabilities of SMA and SMEs' satisfaction with the B2B communication process and outcomes. MST explains that communication performance results from the fit of media capabilities with the needs of business communication and leads to enhanced business performance (Dennis et al., 2008). The capabilities of a communication medium refer to the objective physical characteristics of the medium, which are not subject to the influence of prior experiences and context of using the medium. These media capabilities include transmission velocity, parallelism, symbol sets, rehearsability, and reprocessability. We believe

* Corresponding author.

E-mail addresses: william.wang@aut.ac.nz (W.Y.C. Wang), d.pauleen@massey.ac.nz (D.J. Pauleen), tzhang@nwsuaf.edu.cn (T. Zhang).

that companies are using SMA because potentially those apps' capabilities can contribute to the effectiveness of communication in industrial markets and subsequently enhance business performance.

Therefore, guided by MST, this study aims to describe processes by which SMA enhance SMEs' B2B performance. This study answers Swani, Brown, and Milne's (2014) call for research on the impact of SMA on firm performance in B2B contexts. By examining the impact of specific SMA capabilities on communication performance and business outcomes, this study also aims to underline the suitability of the SMA as a communication channel among B2B SMEs (Michaelidou et al., 2011). In addition, the literature has looked for explanations and suggestions on further motivating practitioners to use SMA because companies seem unclear on motivations to use SMA (B2B Marketing, 2014). Furthermore, the extant studies on SMA usage in SMEs primarily adopt descriptive surveys in an attempt to discover reasons for their use, benefits, and barriers (Jussila et al., 2014). Therefore there is a clear need to examine developments in this area from a more theoretical perspective to gain deeper insights into the rapidly developing field of SMA in the context of B2B SMEs (Stockdale, Ahmed, & Scheepers, 2012).

This paper is organized as follows: Section 2 introduces the theoretical lens of this study, discusses related studies and presents the development of a research model. Section 3 describes the research design and Section 4, the findings and discussion of the data. The final section concludes with implications of the study and the plans for further research.

2. Theoretical development

2.1. Media synchronicity theory (MST)

MST explains how media capabilities influence communication performance, which in turn affects business performance (Dennis et al., 2008). Such a process includes three fundamental factors – communication media capabilities, users' perceptions of communication media, and communication task – all of which interplay (Fox, Leicht, & Messner, 2009). MST holds that communication performance is determined by the match between media capabilities and the underlying communication process which is required for the completion of a particular task (Dennis et al., 2008). Dennis et al. (2008) define media capabilities as “the potential structures provided by a medium which influence the manner in which individuals can transmit and process information” (p.583).

MST identifies five media capabilities: transmission velocity, parallelism, symbol sets, rehearsability, and reprocessability (Dennis et al., 2008). Transmission velocity reflects the speed at which a medium can transfer a message from a sender to an intended receiver. Parallelism means the number of simultaneous communications that can occur through a medium. Symbol sets are the number of ways in which information can be encoded for communication. Rehearsability is the extent to which the medium enables the sender to rehearse or fine-tune a message during encoding before transferring it. In turn, reprocessability refers to the extent to which the medium enables a message to be re-examined or reprocessed during or after the communication.

In addition, MST proposes that communication for a task involves two primary processes: conveyance and convergence. Conveyance mainly describes the transmission of information, especially a large amount of raw information, from a sender to the receivers who need to interpret and understand the information. Convergence mostly focuses on processing the information being exchanged between the receivers to reach a mutual understanding of the meaning of the information between the sender and the receivers. MST argues that successful communication for completion of a task requires both conveyance and convergence (George, Carlson, & Valacich, 2013). It should be noted

that conveyance and convergence require both the transmission and processing of information, but with different emphases. In addition, while conveyance requires the medium to be fast and robust in transmitting information, perhaps in various formats and in parallel, convergence typically needs the medium to enable back and forth information exchange.

MST has been used to investigate the impact of social media use on employees' job performance within organizations. For example, Cao, Vogel, Guo, Liu, and Gu (2012) found that social media can enhance trust among employees, which leads to better work performance. Charoensukmongkol (2014) confirms that social media use at work by employees is positively associated with job satisfaction and job performance. MST has also guided research conducted in the customer-to-customer (C2C) contexts, such as that of Kwahk, Ge, and Lee (2012) who suggest that the use of instant messenger influences buyers' purchase intention through increased trust in the vendor and customer satisfaction. However, investigation in the B2B context is lacking. This study attempts to extend the application of MST to inter-organizational communication between SMEs based on SMA.

MST can provide a good theoretical background for this study for three reasons. Firstly, MST proposes that the impact of media on business performance is mediated by communication performance. Rather than linking media directly to tasks and task performance, MST emphasizes the role of communication performance (Min & Li, 2012). Secondly, MST proposes a framework to understand the capabilities of a medium in an objective way (Dennis et al., 2008). Dennis et al. (2008) point out, many of the media characteristics identified by other media theories are “actually socially derived characteristics, whose salience is influenced by prior experience and context of use” (p. 576). Comparably, adopting the media capabilities identified by MST allows for the investigation of the true effect of the medium itself on communication performance. Thirdly, MST holds that a task comprises two fundamental processes. By looking at the process of communication, rather than at the task itself, MST deepens our understanding of the influence of media on communication performance (Hassell & Limayem, 2011). Moreover, by describing the two processes underlying every task – conveyance and convergence – MST shows a way to examine the impact of media on a variety of tasks in a consistent manner, which may provide insight into the effective adoption of media for conducting different tasks.

2.2. Communication performance and business performance

SMA provide an ideal combination of media capabilities for communication (Cao et al., 2012). Because of this, using SMA as communication channels can potentially enhance SMEs' business performance in a number of ways (e.g. Barashi, 2012; Wamba & Carter, 2014), which can be understood from three perspectives.

Firstly, the literature has focused on marketing as a primary objective of SMEs in using SMA. For example Kahar, Yamimi, Bunari and Habil (2012) point out, that the primary reason SMEs use SMA is to establish visibility among present and prospective customers, along with keeping in touch with them. Through SMA, SMEs can communicate their brand to reach wide audiences (Michaelidou et al., 2011), display the latest information for current customers, and gain new customers (Barashi, 2012). In addition, SMEs can also use SMA to communicate with suppliers and to identify prospective partners in the distribution channel (Shih, 2009).

Secondly, SMA are important in the innovation process in an organization (Nguyen, Yu, Melewar, & Chen, 2015; Wamba & Carter, 2014). SMA can support customer involvement so that organizations can gain clear insights into customer needs (Stockdale et al., 2012). Drawing on customer insights can aid organizations in identifying and addressing negative publicity and customer complaints and likewise to recognize, acquire and exploit new knowledge (Stockdale et al., 2012). SMA can

Download English Version:

<https://daneshyari.com/en/article/1027397>

Download Persian Version:

<https://daneshyari.com/article/1027397>

[Daneshyari.com](https://daneshyari.com)