



# The impact of social media on resource mobilisation in entrepreneurial firms

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## ABSTRACT

This paper examines the impact that social media has on the development of entrepreneurial firms' new, and maintenance of existing, B2B relationships and networks through resource mobilisation. Using the craft brewing and artisan food sectors, the empirical research entailed content analysis of the entrepreneurs' social media platforms complemented by in-depth interviews. Findings demonstrate that Facebook and Twitter impact the entrepreneurial firms' dyadic and network actor engagement, information search and share, collaboration, and operational processes co-ordination and reconfiguration processes. Our research suggests that the impact of social media extends that of a virtual communication platform to a resource layer in the creation and maintenance of activity structures in business-to-business relationships and networks.

## 1. Introduction

Our research contributes to the emergent body of literature on the impact of social media on the entrepreneurial firm's ability to create and develop relationships with its business-to-business partners. Social media can have an important impact on business-to-business (B2B) marketing relationships and networks used to: target and identify new business partners (Michaelidou, Siamagka, & Christodoulides, 2011); business customers (Wang, Pauleen, & Zhang, 2016); to more efficiently communicate with industrial partners (Kaplan & Haenlein, 2010); and to create and incubate customer relationships (Swani, Brown, & Milne, 2014). Given the importance of social media to organisations, our paper focuses on the entrepreneurial firm and the impact that social media has had upon its ability to develop and maintain B2B relationships. We investigate the use of social media as a conduit for resource mobilisation via the entrepreneurial firm's business relationships and networks. This is important as prior studies have predominantly focused on social media's impact on consumer marketing activities (Quinton & Wilson, 2016; Siamagka, Christodoulides, Michaelidou, & Valvi, 2015; Swani et al., 2014).

B2B relationships and networks have been illustrated as a potential resource access point for entrepreneurial firms (Ebberts, 2014; Hoang & Antoncic, 2003; Zhao & Aram, 1995). For the entrepreneurial firm, access to resources is challenging (O'Gorman, Byrne, & Pandya, 2008; Welsh & White, 1981) as new firms may lack critical resources such as human capital, technological (Lockett, Siegel, Wright, & Ensley, 2005) and financial resources (Benzing, Chu, & Kara, 2009). These challenges for the new firm can be partially overcome through B2B

relationships and networks (Hite, 2005; Lechner & Dowling, 2003). Our study is one of few that address how social media might impact on the entrepreneurial B2B firm's ability to mobilise resources in their network. In this paper, we adopt a business network and interaction approach (Håkansson, 1982; Håkansson, 1987; Håkansson & Snehota, 1995) to the study of resource access via social media for the entrepreneurial firm. This approach, developed by the Industrial Marketing and Purchasing (IMP) group, analyses social media as a mechanism to mobilise resources in interaction with other actors in the firm's network. Therefore, this study's research question is to examine the prospective impact social media has on resource mobilisation in new and existing B2B relationships of the entrepreneurial firm. The IMP approach is especially appealing for the entrepreneurial firm as interaction in relationships and networks can simultaneously address the fundamental resource paucity and scarcity inherent in emerging firms.

Resources, vital for a firm's continued existence and growth (Kotha & George, 2012), are mobilised in relationships and networks and can be viewed through an interaction lens on four distinct levels – dyadic and network actor engagement; information search and share; collaboration; and operational process co-ordination and reconfiguration. These four levels (see, Table 1) will be used in our entrepreneurial study to assess the impact of social media on B2B network formation and development. If these levels are significant, they may be used as a framework for entrepreneurial firms to develop their business-to-business relationships and networks. We know, for example, that some entrepreneurs and entrepreneurial firms can use social media to launch new product or service ideas as it lowers the barriers to market entry, while making tasks such as marketing and distribution easier (Piller,

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**Table 1**  
Processes of resource mobilisation as they relate to the development of new and existing B2B relationships.

Resource mobilisation processes		New relationships	Existing relationships
Dyadic and network actor engagement	Definition	Activities and organisational routines implemented in the firm designed to encourage the initiation of business relationships for the benefit of the firm (Mitrega et al., 2012). The firm's ability to offer and promote its presence to a broader network horizon (Holmen & Pedersen, 2003) and engage in a two-way conversation with potential network actors through basic greetings, introductory discussions, and so on.	Activities and organisational routines implemented within the firm to 'develop, manage and strengthen business relationships for the benefit of the company' (Mitrega et al., 2012, p.741). These activities include basic engagement in order to further solidify relationships with various B2B network actors such as suppliers, distributors and buyers.
	Areas of application of social media to the entrepreneurial firm's B2B relationships and networks	<ul style="list-style-type: none"> <li>- Social media has been found to be used to initiate new B2B entrepreneurial relationships, as it enhances communication, increases the ability to connect to network actors which widens the firm's network horizon (Shih, 2009; Kaplan &amp; Haenlein, 2010; Agnihotri, Dingus, Hu, &amp; Krush, 2016).</li> <li>- It has been viewed as an initiation tool for starting a social relationship between partners (Quinton &amp; Wilson, 2016; Swani, Brown, &amp; Milne, 2014), building social capital and social bonds between different actors within the network.</li> <li>- The impact of social media on engagement is more limited. It has been suggested as a two-way communication tool, as well as a mechanism for increasing relational bonds with new and existing network actors (Agnihotri et al., 2016; Sigfusson &amp; Chetty, 2013).</li> <li>- Our research seeks to demonstrate the ability for social media to allow the resource restricted entrepreneurial firm to broaden its network horizon, connect more effectively with a wider variety of prospective business partners, and manage/develop existing B2B relationships in a more efficient and immediate manner.</li> </ul>	
Information search & share	Definition	Initiating and maintaining a partnership relies heavily upon information search (Ritter & Gemünden, 2003) and for entrepreneurial decision-making (Cooper, Folta, & Woo, 1995). Knowledge sharing allows partners in the supply chain to integrate products, information across organisational boundaries, ultimately improving the supply chains adaptability, while sharing activities allow for the delivery of value-added products/services, as well as the ability to detect emerging opportunities and capture business benefits (Chen et al., 2014).	Networks are influential in entrepreneurial success through information accessibility and resource availability (Chen, Chang, & Lee, 2015). An entrepreneur's information search activities are heavily influenced and shaped by its network and relationships. Knowledge and information sharing is an interactive process and allows business partners to understand problems and jointly develop solutions in interaction (McEvily & Marcus, 2005; Uzzi, 1997) maximizing operational benefits (Chen et al., 2014).
	Areas of application of social media to the entrepreneurial firm's B2B relationships and networks	<ul style="list-style-type: none"> <li>- Social media has been found to be a one-way information search tool for entrepreneurs and as a mechanism to share non-sensitive business information and market intelligence in the early stages of relationship development (Huotari et al., 2015; Schultz et al., 2012).</li> <li>- Social media has been found to be a means to share more social information as relationships develop (Agnihotri et al., 2016; Leek et al., 2016).</li> <li>- It has the potential to provide immediate answers to business problems and to share business information with both new and existing relationships (Chen et al., 2014).</li> <li>- Social media enables information and knowledge to be shared between network actors, allowing for the co-ordination of knowledge and information flows. This may enhance interaction between the entrepreneurial firm and others within the firms existing B2B network and prospective, new B2B relationships.</li> </ul>	
Collaboration	Definition	Value creation through collaborative interactions between B2B firms are key to effective B2B marketing (Aarikka-Stenroos & Jaakkola, 2012; Walter, Ritter, & Gemünden, 2001) and can lead to new processes or services, technology or service innovations and joint resource development. In an entrepreneurial artisan context, collaboration can be initiated at external events, for example festivals (McGrath & O'Toole, 2013, 2014). In initiating relationships with new network actors, activities can also include using two or more products/services and combining them to make a new product.	Collaborative inter-organisational relationships are continuous and on-going (Wagner, Eggert, & Lindemann, 2010). Collaboration can be dependent on the mobilisation of resources of the business partners (Gadde, Hjelmgren, & Skarp, 2012) and can enhance relational innovation (Ritter & Gemünden, 2003) further maintaining core relationships and networks. Interaction plays a significant role in these processes, and the combination of new and existing resources, along with the coupling of production technologies in many cases, requires extensive adaptations (Gadde et al., 2012).
	Areas of application of social media to the entrepreneurial firm's B2B relationships and networks	<ul style="list-style-type: none"> <li>- There is little research on the entrepreneurial firm but it is likely that new product development could be impacted by social media in new and existing relationships (Georgescu &amp; Popescu, 2015; Sood &amp; Pattinson, 2012; Edosomwan et al., 2011).</li> <li>- SMEs and small businesses have been shown to use social media as a collaborative platform (Wang et al., 2016).</li> <li>- There may be potential for co-creation in relationships and networks of new markets or new products directly using social media, which would be a crucial finding for the entrepreneurial firm.</li> </ul>	
Operational processes co-ordination and reconfiguration	Definition	Success for B2B firms in many cases depends on their ability to adapt to the needs of a single customer organisation, and research has shown that many firms implement these specific adaptations for a single partner, and can take the form of products, processes, organisational revamp or information exchanges (Hallen et al., 1991; Brennan et al., 2003).	Maintaining relationships may require new logistical systems (just-in-time systems), new equipment purchases, new planning procedures (stock levels) or the adoption of routines such as quality controls (Hallen et al., 1991). These adaptations can be highly influential in forging strong business partnerships or relationships, based on reciprocal adaptation (Hallen et al., 1991).
	Areas of application of social media to the entrepreneurial firm's B2B relationships and networks	<ul style="list-style-type: none"> <li>- There is a paucity of research on the impact of social media on these processes but potential is suggested.</li> <li>- Social media can be used as an identification tool for new business opportunities, new product ideas and as a lead prospecting tool (Wang et al., 2016). It has been shown to facilitate co-operation and adaptations between organisations in the supply chain (Sood &amp; Pattinson, 2012).</li> <li>- There is potential impact for new and existing relationships and networks in the area of purchasing and supply</li> </ul>	

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