The impact of social media on social entrepreneurship in a developing country

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Abstract

The aim of this paper is to explore critical issues that influence Bangladeshi social enterprises to embrace social media as a business tactic. The outcomes attained of this research are contrasted with issues that have impacted on IT implementation according to the literature. In addition, the paper investigates how social media implementation affects patterns of business and identifies some difficulties and challenges that social enterprises face in terms of application. The research gap of this study is addressed in the setting of the developing world. The paper also explores the benefits of harnessing social media.

Introduction

Social media platforms (for example, Facebook, Snapchat and Instagram) are increasingly accepted as vital to the day-to-day lives of millions of users who interact in virtual environments. This new way of communication continues to dominate the cultural landscape and impacts on how users do business (Alalwan, Rana, Dwivedi, & Algharabat, 2017; Rathore et al., 2016). Thus, social media is regarded as one of the most effective and persuasive interactional environments in modern life (Garcia-Morales, Martín-Rojas, & Lardón-López, 2018). On the other hand, the rapid development of technology and intense rivalry between businesses has meant that the business community is continuously searching for new ways to distinguish themselves and provide value to clients. Social media is a phenomenon that has been facilitated by the age of the Internet and a rise in the general usage of digital media. It has motivated businesses to engage with different corporate segments and has driven many towards the adoption of innovative modes of interaction.

The intensification of social media has changed the way interactions take place with customers (Garcia-Morales et al., 2018; Islam and Chitran, 2019). Blogs, social networking sites, content communities, virtual worlds or collaborative projects collectively represent groups of individuals that generate and distribute content internally and outside of specialised practices. Businesses are starting to adopt social mechanisms to connect with their clients. This new description of customer engagement has meant that firms have begun to establish reliable relationships with their customers that are durable and popular (Ozuem, Almeida, Pinho, & Azemi, 2016).

An increasing amount of research has revealed numerous motives for the uptake of social media usage amongst companies (Scott & Orlikowski, 2014; Uyar & Boyar, 2015; Leonardi, 2014). In several cases, researchers have focused on the practice of internal social media stands (Scott & Orlikowski, 2014; Lee, 2017; Huang, Baptista, & Galliers, 2013; Ayvaz, Gürsun and Özlale, 2018) by prominent companies communicating with international networks (Leonardi et al., 2013; Jagongo & Kinyua, 2013). In this sense, social media offers many interactional benefits and outcomes that were previously difficult and often impossible to attain (Leonardi, 2014; Cheng & Shiu, 2018). Social media facilitates an innovative way to share knowledge (Koch, Leidner, & Gonzalez, 2013; Pulido et al., 2018) and a new means to reach geographically isolated users (Huang, Baptista, & Galliers, 2013; Scott & Orlikowski, 2014). Kaplan and Haenlin (2010) have underscored the significance of social media

platforms and proposed some approaches to adopting social media in business. There is scope to explore social media more strictly in terms of its uses in social enterprise. Indeed, most academic literature examines commercial enterprises rather than social enterprises when it comes to social media. A consequence of this is that researchers have perhaps overlooked an essential context (Koch, Gonzalez, & Leidner, 2012; Vandenbosch & Eggermont, 2016; Kaplan & Haenlein, 2010) and have tended to depend on the inaccurate hypothesis that social entrepreneurs do not understand and are thus unable to take full advantage from social media (Ho, 2016). Besides, such assumptions do overlook the fast-paced nature of technology and variation in the types of users and business settings that are implicated.

Contextualisation: social media

Social media is a relatively recent spectacle that has altered how businesses function (Garcia-Morales et al., 2018; Scott & Orlikowski, 2014). Indeed, enterprises are increasingly capable of obtaining core resources which have previously been inaccessible to them (Aral, Dellarocas, & Godes, 2013; Treem & Leonardi, 2012). Social media has also supported commerce by increasing the value of businesses and by allowing organisations to foster tactical partnerships (Treem & Leonardi, 2012; Kane et al., 2014; Helal & Ozuem, 2017). Social media helps businesses to establish new interactions and relationships with clients and traders. The practice of social media in management settings is comparatively new (Wamba & Carter, 2014; Huang, Roberts, & Tan, 2017; Azemi & Ozuem, 2016) although universal acceptance of social media is increasingly observed in organisational surroundings. Currently, these platforms have been harnessed to fulfil vital roles for businesses as they permit traders to have an existence in online 'spaces' that their clients and other stakeholders occupy (Culnan, McHugh, & Zubillaga, 2010; Aral, Dellarocas, & Godes, 2013; Kane et al., 2014; Azemi & Ozuem, 2017).

Spending on social media tools (social networking sites, content communities and collaborative projects) is intensifying in the business world (Islam and Chitran, 2019) and the rising number of stakeholders that turn to social media platforms is not surprising in an organisational context. Miglani (2014) suggested in his research that social media outlays in the US will rise from around $8.2 billion in 2014 to $18.7 billion by 2019. This predicted upsurge underscores a radical change in the direction of social media usage in trade, signifying that acceptance of these technologies is similar to and to some extent more remarkable than acceptance of other IT (Huang, Roberts, & Tan, 2017; Culnan, McHugh, & Zubillaga, 2010). At present, most shared social media promotion practices among businesses

include forming and maintaining an online presence of a 'page' to attract followers. Social media then becomes useful for sustaining community relations and leading market investigations. Social media sites are also useful for providing buyer support and hosting customer reviews and feedback (Cheng & Shiu, 2018; Pulido et al., 2018).

It has been seen that studies related to social media are limited to developed countries (Durkin, McGowan, & McKeown, 2013; Kim, Lee, & Lee, 2013) compared to developing countries. Thus, there has been less focus placed by the researcher on social media as a marketing tool in developing nations. There are only a few pieces of evidence that can be found, such as Malaysia, on the perspective of implementing new technologies in some Asian countries.

Social entrepreneurship

Awareness of social entrepreneurship within the academic world and amongst government only developed in the 1990s. This took place alongside the evolution of new media in the 2000s. In 2004, social cooperatives were launched in the UK to help social businesses to harness their returns and resources for social purposes (Defourny & Nyssens, 2013). As the borders between government, not-for-profit and commercial sectors have become increasingly blurred (Jayakar Pai and More, 2018; Dunkwu et al.,2016) and as further ground-breaking and profitable ways of addressing social problems have emerged, there has been a greater focus on how ideas like social entrepreneurship can address critical social problems (Dees & Anderson, 2003).

Even though the focus on social-oriented business has increased over the years (Caringal-Go and Hechanova, 2018; Dacin et al., 2011; Thompson et al., 2000), the concept of social entrepreneurship still remains unclear (Jayakar Pai and More, 2018; Certo & Miller, 2008; Dacin et al., 2011; Islam and Chitran, 2019). Scholars such as Smith, Bell, and Watts (2014) have suggested that more comprehensive research to look at how advanced social projects are determined is essential in order to comprehend the phenomena more clearly. In addition, since much research has emphasised the charitable nature of social enterprises, their commercial role has never fully come into focus (Caringal-Go and Hechanova, 2018; Dees, 1998).

Positioning social media within social enterprises

In this study the process of resource mobilisation in terms of developing market strategy is considered to be a prominent research gap. During the growth phase, every organisation needs to do its marketing broadly (Helal, Ozuem and Lancaster, 2018), which involves extensive resource acquisition. The selection of this gap was determined by many aspects. Regardless of the dominant theoretical evidence on the role of marketing in the development of commercial businesses, it is a surprising fact that there is a lack of academic research on marketing in the context of social enterprise (Dunkwu et al., 2016; Islam and Chitran, 2019). On the other hand, to obtain required funding, influence customers' perception, spread business activity and distinguishable business models, social enterprises need to promote themselves (Dunkwu et al., 2016)

Compared to developed countries, in developing countries like Bangladesh, social enterprises operate in a condition of constrained resources (Islam and Chitran, 2019). They regularly compete with several other organisations for resources together with the shortage of capital and lack of expert employees. Inadequate funding is considered a primary obstacle for the growth of social enterprises in developing countries, especially in the Asian region (Kim & Lim, 2017).

Social media can deliver an excellent return for entrepreneurs and can help them to capitalise on social investments (Helal et al., 2018). Currently, almost all types of businesses are engaging in social networking communications (Cheng & Shiu, 2018). The cooperative actions of entrepreneurial organisations and their partners through two-way communication on social media platforms has proven productive (Gavurova et al., 2018; Lacka & Chong, 2016; Singaraju et al., 2016). The co-creation of new products, facilities, concepts and systems has been accelerated with the evolution of social media (Drummond et al., 2017).

As a consequence of rapid increases in the number of social media formats, many corporations including governmental organisations continue to adopt social media platforms as an essential communications tool to interact and collaborate with others to share content (Kim & Ko, 2012). At the same time, integrated marketing activities are becoming cost-effective when social media marketing is adopted (Kim & Ko, 2012). The returns on social media publicising include high exposure, increased sales, the ability to attract influential followers and the growth of trade. Companies that eschew online advertising through social media risk missing out on new ways to connect with consumers.

Although much discussion has taken place regarding the benefits of social media for business progression, the reliability of such modes of communication has not yet been proven (Maree, 2017). In this sense, social media can produce positive impacts but is also subject to a number of limitations in a business context (Islam and Chitran, 2019). In addition, many social entrepreneurs are not sufficiently technologically skilled, and there is a scarcity of time and information available to them to learn new skills. Consequently, the full potential of social media is unrealised by many (Jones, Borgman, and Ulusoy, 2015; Gavurova et al., 2018). Entrepreneurs typically find it hard to choose appropriate types of social media from several options, and the choice and range of available strategies can often be overwhelming (Jones et al., 2015). Even when an appropriate platform has been identified, social media use can still be a negative experience for many as they are free to access and open to all users, and anyone can be openly critical without requiring any authorisation or validity.

Managerial implications

This research adds to current literature in IS innovation adoption in the organisational field. It has reasoned that the acceptance of new technologies is influenced by many aspects. Specifically, the research is formed on the technology-organisation-environment (TOE) framework to investigate issues addressing social media acceptance in the organisational context of social enterprises. The key usages and barriers to adopting social media among social enterprises in Bangladesh have been examined. A list of benefits and barriers was acknowledged through this qualitative study.

Among the identified barriers, lack of resources has been found amongst almost all of the non-adopters. A lack of IT skills and the awareness that the business can perform well without having social media options has also been found as a barrier for social enterprises that have not yet adopted social media. Fear of getting an adverse response was also recognised as a barrier to social enterprises accepting social media.

This investigation identified new critical factors that influence the adoption of social media in a social enterprise context. This study also offers insights in the TOE framework by evaluating the significance of the three TOE framework elements in the implementation of an explicit technology like social media.

Many social entrepreneurs are still not technologically skilled and lack the time and knowledge to develop new skills in social media (Islam and Chitran, 2019; Venkatraman &

Fahd, 2016; Ozuem, Patel, Howell, & Lancaster, 2016). Consequently, social media remains an enigmatic prospect for many (Jones et al., 2015). Entrepreneurs find it hard to choose appropriate types of social media from several options that are creating fragmented media choice for business utilisation (Jones et al., 2015). Even when an appropriate platform is identified, negative experiences are common as social media sites are free for all users to access, and anyone can be openly critical without requiring any authorisation and validity.

Many theoretical explanations have contributed to the development of social entrepreneurship (Islam and Chitran, 2019). It can be approached in terms of its economics, its politics and its psychological implications. However, this research has focused on social entrepreneurs and marketing approaches. It is likely that this work will add to the literature on social media usage in social enterprises and it will help others to better understand social media in the context of developing countries.

The key input of this research is evolving a TOE framework for social enterprises in Bangladesh to adopt social media as a marketing and communication tool. It has found that the key TOE elements drive a social enterprise to adopt social media. Social enterprise initiators will be able to use the TOE framework suggested in this study to evaluate the circumstances under which social media may be implemented. This study will also help to increase cognizance of the diverse issues manipulating decisions as to whether or not to accept these technologies. The results obtained from this investigation might benefit not only social enterprises but also other enterprises including large organisations which are struggling with the same problems and intend to adopt social media. It might help them to overcome the complications that most businesses face when approaching social media as a type of marketing or communications strategy. At the same time, it might inform other companies that have not yet committed to social media, and it might encourage others to reassess their application. Consideration of the complications that social enterprises face when employing social media tactics might aid government associations in projecting essential guidelines so that social business operations can progress and, consequently, the economies of developing countries can grow.

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