

# Social Media Orientation and SME Export Performance: A Conceptual Framework

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## Abstract

This study proposes a research framework of the relationship between social media orientation (SMO) and SME export performance. This framework developed based on extensive literature. There are very few studies have looked into the relationship between SMO and SME export performance, especially in the context of developing countries. Furthermore, literature failed to find the consistency in the relationship between SMO and SME performance, which motivated for future studies to corroborate the relationship between SMO and SME performance specially in context of foreign markets. This study delivers useful information and adds knowledge of the literature pointing to increase their business performance specially export business performance. Future studies should validate empirically the proposed research framework.

**Keywords:** Social Media Orientation, SMEs, Export Performance.

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## Introduction

In this digital era that around 83 percent consumers are using social media to shapes the perception of business (Dutot & Bergeron, 2016). The social media use continues to grow exponentially among businesses and is rapidly getting a crucial business management phenomenon (Alves, Fernandes, & Raposo, 2016). Social media is perhaps

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an increasingly popular alternative for commercial enterprises because it allows communications to extend beyond a private one-to-one conversation to become a many-to-many (Godey et al., 2016). Social media functions also offer relatively inexpensive options for analytics, automated publishing, content management, conversion tracking and customer targeting (Ahmad, Ahmad, & Bakar, 2017). Commercial enterprises can utilize social media to push their merchandise, services and brands (Godey et al., 2016). According to researcher estimates that 30 million SMEs are active social media users (Dutot & Bergeron, 2016). An SME's decision to participate in a social media platform is strategic. This decision can be SME's self-protective response to dynamic business environment, which aligning the business resources and activities to sustain competitive advantage which leads to higher firm performance (Eisenhardt & Martin, 2000; Teece, 2007). Social media can even be deployed by small and medium-sized enterprises (SMEs) due to its low price and minimum technical requirements (Ainin, Parveen, Moghavvemi, Jaafar, & Mohd Shuib, 2015). Social media use enables SMEs to access markets outside their immediate geographical area, without a physical presence being required (Sala-i-Martin et al., 2014). It appeals to SME owners because it can make geographic locations, spaces and time irrelevant (Alarcón, Rialp, & Rialp, 2015). The impact of social media on SMEs has meant that it has become an important topic in the business and entrepreneurship literature (Edosomwan, Prakasan, Kouame, Watson, & Seymour, 2011). Durkin, McGowan, and McKeown (2013) found that SMEs can gain benefit from using alternative business management tools like social media, because they often lack the necessary resources for traditional kinds of management.

Nevertheless, most of the literature on social media orientation (SMO) has focused on end users, social media factors measurement (Ahmad et al., 2017). But few studies have taken an organizational perspective, and most studies have investigated large organizations (Dutot & Bergeron, 2016). Furthermore, granting to McCann and Barlow (2015) stated that very few studies targeting SMEs and social media relationship investigation. Moreover, Fischer and Rueber (2009) suggested that, companies should start seeing (and using) social media in terms of quantifiable numbers such as firm financial. Only a handful studies have so far tested the usage of social media to improve business management and particularly its impact on business performance (Ainin et al., 2015). Regarding the worldwide dearth of literature and case subjects, this work seeks to interpret the utilization of social media at the firm level. As such, this work employs the social media orientation (SMO) to look into the impact along the export performance of SMEs, which previously unexplored area of research.

## **Literature review**

### *Social Media Orientation*

There are various possible definitions of social media, because it is understood and utilized differently by different people. The current study used the definition of Kaplan and Haenlein (2010), according to him, social media as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content.” The proper implementation of social media strategy allows organizations to improve several business

activities such as relationships with trading partners, sharing information and managing communications, business process and logistics across supply chains (Chua & Banerjee, 2013). There have been a few studies on social media adoption and its impact on SMEs' performance, in both developing and developed nations, although more in developed countries. It is significant to note that generalizing the results of prior studies on social media use in SMEs in developed countries to the developing countries context can be of some concern (Ahmad, Abu Bakar, & Ahmad, 2018).

Furthermore, social media orientation (SMO) refers to a firm's strategic orientation (SO) toward social media. According to Dutot and Bergeron (2016) defined that SMO as "the set of principles and objectives that direct and influence a firm's activities on social media to better performance." Indeed, Durkin et al. (2013) indicated that different approaches to social media often vary according to organizational context, customers' profile, home resources, and competency levels, indicating that the resource-based view (RBV) might be an appropriate option. Therefore, alternative marketing avenues such as social media open opportunities for firms that facing lack of resources, knowledge and skills (Zahoor & Qureshi, 2017). In a theoretical example of small firms' social media adoption, Durkin et al. (2013) identified two basic perspectives. The first perspective is sales and business development, which purports to better sales, e-commerce and leads and deepen relationships. It incorporates the notions of profitability, commitment and loyalty (Smith, Blazovich, & Smith, 2015) and focuses on gathering new customers, gross revenue and after-sales services. Social media is a new channel of communication that companies can use to generate direct or indirect sales. Indeed, on platforms where consumers experience social interaction, members can become intimate with one another, offering a possible origin of trust (Ren, Tan, & Wan, 2017). Social commerce encourages consumers' interaction through social media and allowing the business to get more attractive universally (Chen, Fay, & Wang, 2011).

The second position of social media orientation is reputation management, which touches on brand perception, online PR and price comparison (Durkin et al., 2013). It includes visibility, which can be seen in several ways, such as activity, online presence and even a buzz. Among its other uses, social media is a tool for awareness building and persuasion (Dutot & Bergeron, 2016). It can be used to produce the image of the company and the brand without the aim of marketing products, even though it could act upon the purpose to buy (Godey et al., 2016). Firms can become visible if they also offer customer support aimed at an ongoing integration with the brand and involvement with the customers (Ahmad et al., 2017). Visibility may have several benefits such as co-creation, with customers, assisting in the conception of novel products in line with their needs (Hensel & Deis, 2010). Other indirect effects of visibility are as follows: visibility may encourage a company to spread out its communication channels; exchange ideas with customers, gather recommendations; develop collaboration with the customers, especially through word-of-mouth; and follow trends (Castronovo & Huang, 2012). Qualitative measures must be integrated into the definition of social media to fully seize the value that could be generated through social media use (Angel & Sexsmith, 2011). Ananda, Lamberti, and Hernández-García (2015) explained, for exemplar, "online buzz" and "insights gained" as exemplars of qualitative criteria. Founded on these first elements, this research examines the value produced by a SMO. It suggests that social media

orientation is anchored on two factors: sales and business development, on the unitary hand, and visibility, on the other hand.

### *Social Media Orientation and SMEs export performance*

An SME can create value through social media when it understands and employs the entire potency of social media (marketing, customer relationship management), which could contribute to more respectable execution (Tufekci, 2014). Furthermore, in respect of social media and business performance relationship that various studies have shown that social media influence on firm performance in many dimensions, such as business processes performance (Hakala & Kohtamäki, 2010); corporate performance (Ainin et al., 2015); sales performance (Towers et al., 2015); organizational social capital (Katerndahl, Burge, Ferrer, Becho, & Wood, 2013); purchasing decisions (Hassan, Nadzim, & Shiratuddin, 2015).

Srinivasan, Bajaj, and Bhanot (2016) examined the relationship between social media strategy and SMEs performance and found the contributory role of social mediation strategy in SME performance in respect of higher market share. In another survey, the researcher found the positive relationship between social media adoption strategy and SME performance in context of Malaysia (Parveen, Jaafar, & Ainin, 2015). Tajvidi and Karami (2017) found the positive and important relationship between social media use and firm performance. On the other hand, Ahmad et al. (2018) investigated the social media adoption influence on SMEs performance in context of UAE and set up the non-important relationship between two variables. Likewise, Bakri (2017) found the no relationship between social media adoption or strategy and competitive advantage in context of Qatar.

Thus, past literature discussion stated that higher firm domestic performance leads to higher international market or export performance of the house. Furthermore, past studies inconsistent results motivated to the current study for further investigation between social media ordination and SME performance, specifically in context of international market, where SMEs required a lot of resources. Hence, SMO can give to SMEs easy access to international market, which can improve the SMEs export performance. Nevertheless, the primary goal of a social media strategy is to increase the export performance of the SMEs activities by promoting the social interaction of customers and becoming more attractive to its customers (Hajli, 2014) or to other potential customers on a global basis (Chen et al., 2011). Thus, we present the following proposition:

**Proposition.** Social media orientation has a positive effect on SME export performance.

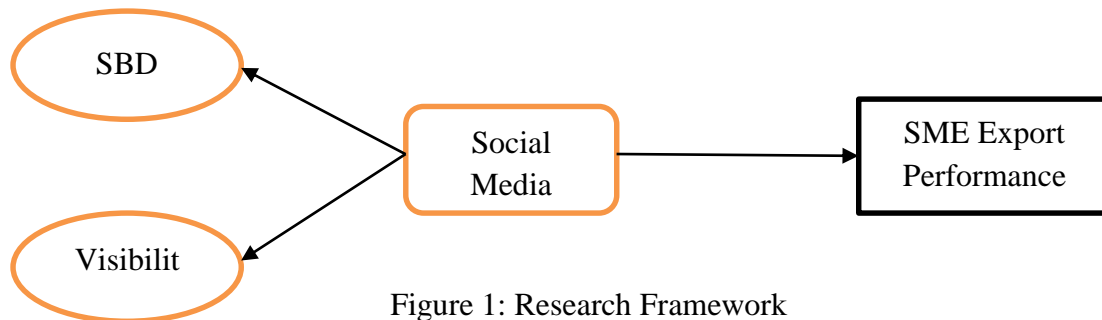


Figure 1: Research Framework

### Research methodology

The proposed research framework developed on the behalf of previous literature. Whereby, the current study explored the published work on the link between social media orientation and SME export performance. The present study used the conceptual modelling methodology. Moreover, for a conceptual framework, authors reviewed more than 100 conceptual and empirical papers from quality journals. Additionally, publications from famous newspapers, and official web sites of several internal and international institutions have been reviewed.

### Discussion and conclusion

The main object of the current study to explore the link between social media orientation (SMO) and SME export performance, proposed the research framework for further empirical investigation. However, previous literature has shown that SMO has a positive relationship with SMEs performance, which leads to higher export performance. Furthermore, some of the researchers, reported the insignificant relationship between SMO and SME performance (Ahmad et al., 2018; Bakri, 2017) and some of researcher found the positive and significant relationship between SMO and SMEs performance (Ainin et al., 2015; Dutot & Bergeron, 2016; Tajvidi & Karami, 2017). Thus, past studies inconsistent results motivated to the current study for further investigation between social media ordination and SME performance, specifically in context of international market, where SMEs required a lot of resources. In the context of international markets, SMO can give easy access to SMEs in foreign markets, which can improve the SMEs export performance. Moreover, SMEs ignorance or low participation in export business may lead more difficulties for SMEs export performance (Imran, Aziz, & Hamid, 2016, 2017a, 2017b; M. Imran et al., 2018; Imran, Hamid, & Aziz, 2018). Therefore, owner / manager of SMEs should focus on social media strategy to attract the foreign market customers at low cost or used of low resources. Moreover, proposed framework has several critical contributions regarding SMEs export performance. If the proposed framework is validated, the finding of research will provide important information to owners/managers into the significant role of the SMO to improve the domestic as well as export performance of SMEs. Secondly, the finding of proposed framework will also contribute to country GDP and employment and especially reduce the trade deficit of the any country. For example, owners/managers can apply this proposed framework, finding to improve the SMEs export performance, which will be increased the country exports,

foreign exchange, and reduced the trade balance, which is a burden for the country's economy.

Future studies should look this proposed framework in empirically, especially in the context of developing countries were found limited studies.

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