

# Mobile Social Media as a Strategic Capability: Expanding Opportunities Social Media Has to Offer to B2B Firms

## Introduction

Mobile technology (MT) has been around for at least two decades and rising mobile devices penetration rate is not something companies passed by (Thompson, 2009). Internet connectivity has become a common feature customer asks for when purchasing new mobile phone or tablet computer (Kaplan, 2012). However, it is questionable whether research work around e-commerce and online consumption could be applied to the mobile context. Ubiquity and mobility, key distinctive characteristics of MT, imply consumption of information and services anytime anywhere regardless connection to the Internet (Balasubramanian et al., 2002; Xiaojun et al., 2004).

Vast majority of research about the use of MT explores the B2C context with a particular interest to adoption of mobile marketing (Barwise and Strong, 2002; Varnali and Toker, 2010) and few papers about mobile commerce (Barnes, 2002; Anckar and D'Incau, 2002). On the contrary, Rochford (2001), Hammed (2003), Lee et al. (2007), and Donnelly (2009) reveal that there are a number of benefits for companies, which adopt MT. These benefits are flexible communication, mobility of employees, cost reduction, and positive financial performance.

In this paper we address a limited number of exploratory in nature studies in the B2B context. Primarily the purpose of this study is to investigate how firms utilise MT as a business tool, firms' processes and experiences in using and deploying MT. To answer the following research question 'How do B2B firms use MT?' we adopt the grounded theory (GT) approach. Particularly we maintain simultaneous data collection and analysis to define theoretical focus of the research, practice that Corbin and Strauss (1990) name a theoretical sampling. Our initial findings indicate that expansion and popularity of social media is a primary reason for businesses to use mobile devices and access social media sites anywhere anytime. Hence, the research question this paper addresses is 'How do B2B firms use mobile social media?'

The following quotation is from one of interviewees participated in our research, a business owner who started his business 15 years ago:

*With mobile technology I use a lot of what I call business media as opposed to social media. Social media – Twitter, Facebook for social purposes, then Twitter, Facebook – for business purposes; such division helps me to divide my orientation and ways I apply social media for personal interactions and business purposes. (I5<sup>1</sup>)*

He describes the main purpose his firm is utilising mobile devices for. Due to a specialised nature of services his firm provides, he needs to continuously pick up on the latest technological trends and incorporate them into operations and offerings for clients. Although social media is primarily related to the B2C context, he admits that B2B firms should not neglect this medium and use it strategically to their own advantage as well as benefits for customers.

Academic literature (Michaelidou et al., 2011; Kaplan, 2012) advocates similar as our respondent I5 way of thinking and agrees that equally as social interactions business communication experiences a series of substantial transformations related to digitisation and technological advancement of a nature and communication means available to business

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<sup>1</sup> I5 – the abbreviation is used to identify respondents. Eighteen respondents are part of the discussion in this research paper. 'I' stands for Interviewee and number stands for order number of interview.

professionals. Hence, this paper focuses on two interrelated developments that cause businesses to react and change their strategic and operational principles, increased usage of mobile devices and expansion of social media applications beyond personal interaction and information exchange towards commercial opportunities for firms.

Kaplan (2012) in his recent publication claims that *mobile social media* (MSM), an interaction, exchange of information and creation of user-generated content, mediated by mobile devices is becoming the locomotive that drives forward evolution of online world. According to Boyd and Ellison (2008), social media is particularly effective in marketing activities creating a viral effect truly influencing consumer behaviour in online world. However, social media consumption mediated by MT allows “*for a tighter integration of virtual and real life*” with the emphasis on location and time sensitivity (Kaplan, 2012, p. 137). So far, really limited number of academic studies touched upon the MSM subject with few papers (Kaplan and Haenlein, 2010; Kaplan, 2012) being of conceptual nature and providing recommendations to businesses on how to utilise MSM for their best advantage. No empirical evidence is available to prove whether and how firms do it in reality. Our study addresses this gap.

## **Method**

As we stated above, at initial stages of this research, our interest particularly lied in in-depth and holistic understanding of how B2B firms exploit and integrate mobile devices into their strategic and operational existence rather than simply focusing on specific areas of operations such as marketing research or customer relationship management. We employed a qualitative methodology in the form of GT to systematically collect and analyse data (Corbin and Strauss, 1990).

To collect primary sources of data we conducted 26 face-to-face and web-based Skype interviews with key individuals who either make strategic decisions or simply understand the aspects of MT use in their firms. Interviewees represent the 26 UK firms from marketing and advertising sector that provide marketing consulting, branding, and digital content development services, and operate in B2B context. Hence, the homogeneity of the sample allows theoretical comparison among responses. Interviews lasted approximately one and a half hours on average. In the interviewing process we maintained theoretical flexibility and allowed topics and concepts to emerge from the data; therefore, no protocol has been used.

To select the main focus of the paper we carried out simultaneous data collection and analysis (Corbin and Strauss, 1990). 18 interviewees emphasised social media as being a primary reason to utilise mobile devices in their firms. Therefore, a case perspective (Glaser and Strauss, 1967) has been followed through to focus on 18 firms that stressed the importance of social media as a trigger to adopt mobile devices. A systematic process of constant comparison and theoretical sampling (Corbin and Strauss, 1990) facilitated the emergence of concepts and categories. As we studied the process of MSM use in firms, we realised the complexity of this process and identified key theoretical perspective, a capability approach (Teece et al, 1990), to analyse and conceptualise findings. With the help of (1) follow-up e-mails asking interviewees to discuss strategic orientation, processes, routines and skills required to utilise MSM (using Teece et al. (1997) paper as a guide); (2) visual and thematic analysis of the content present on firms’ blogs, Facebook and Twitter pages we compared conditions that all 18 firms have in common. NVivo 10 qualitative software package has been applied to perform and record all the analytical procedures of coding and categorisation.

## **Findings and Discussion**

This study found that B2B firms use MT primarily as a platform to access social media sites, understand canons of MSM consumption and utilise MSM as a strategic capability to reinforce the strategic position of a firm. Hence, we start this section with a brief introduction of the capability theory.

### Theoretical grounding: the Capability Approach

Sustainability of business driven by organizational unique competencies and resources implies possibilities for firms to overcome uncertainties and dynamic changes in external environments. A task of modifying the business context lies in careful assessment and potential development of critical resources and competences, which a firm possesses or needs to acquire (Day and Wensley, 1988). The capability approach (Day, 1994; Teece et al., 1990; Juga, 1999) in tandem with the Resource-based View (Penrose, 1959) considers firms as a 'static' mechanism with own culture and bundle of organization-specific assets, skills, and competencies that form a source of competitive advantage.

Tangible resources in the form of assets represent a basis for companies to develop and acquire distinctive skills and processes (Day, 1994). Firms' capabilities are complex systems of processes where interaction between information, skills and competences allow resources to be deployed strategically sustaining firms' competitive advantage. Hence, capabilities is a 'dynamic' phenomenon, which facilitates flexible transformation and adaptation of firms to ever-changing externalities (Teece et al., 1997; Wang and Ahmed 2007). Teece et al. (1997) introduced the following three dimensions: routines, skills and knowledge, and co-ordination mechanisms, - to understand and analyse firms' capabilities.

Past studies on IT capabilities particularly (Bhatt and Grover, 2005; Huang et al., 2009; Chen and Tsou, 2012) emphasise the significance of technological capabilities for firms. MT and social media, following a transformational evolution of digital technology, are discerned by studied firms as strategically important. "Mobile technology is obviously seen to me as a strategic resource" (I6). "All those strategic decisions about our company representation through social media are important and should be well thought through" (I7). Therefore, it is not surprising that we found that B2B firms develop what we have named the MSM capability to advantageously utilise mobile devices and social media platforms.

### Mobile Social Media as a Strategic Capability: Exploratory Findings

According to Venkatesch and Davis (2000) and Buehrer et al. (2005) B2B firms are less receptive to new technologies than B2C firms. High costs and acquisition of new skills are main impediments for firms to integrate new technological solutions. However, we found that social media and particularly mobile technology are considered to be cost-effective tools in comparison to stationary and desktop IT devices. According to respondent from firm 3 (I3) "a lot of these mobile technologies out there actually do not cost a lot... there is also social media that is a lot more affordable". However, consistent with information technologies (IT) literature (Andreu and Ciborra, 1996) to use MT and MSM B2B firms cultivate organisational culture based on learning to minimise their costs in employing new specialists and expertise. Interviewee 5 (I5) claims that he "had to learn communication protocols for social media in order to use it more effectively on mobiles".

Surprisingly, majority of firms we interviewed consider MSM as a strategic capability. Firms believe that used creatively and strategically MSM leads to advantageous competitive positioning. We found that the process of MSM deployment involves four main interrelated activities, market sensing (1); managing relationships (2); branding (3); and developing content (4) (see Appendix A).

Social media is something what, first of all, considered to be a **branding** tool where business owners promote their products and services via firm's profile page as well as personal pages of owners and employees. Dutta (2010) claims that entrepreneurs embrace social media channels to engage with various audiences and potentially find new business partners and customers. Firms that we interviewed understand the importance of intertwining brand's MSM strategy with a personal social media strategy. Hence, transferable skills of understanding how to integrate personal level experience into business purposes are something firms focus to develop. Moreover, emphasis here is made on mobility aspect due to the fact that almost everyone accesses social media sites on the move (Kaplan and Haenlein, 2010). "I do access social media in most cases on the go... I have personal account on social media; I have business accounts as well. For me it is critical to represent my company and myself as one brand. My employees, to be honest, do the same" (I7). All 18 respondents see relevance as key differentiation factor of MSM to accessing social media sites through stationary desktop IT. Relevance of communicating message to the public in "reactive and contextualised manner transforms the image of the company... customers see you as someone who act immediately and we tracks what is happening around" (I3). Moreover, employees in all 18 firms access and update internal blogs using mobile devices. In general internal blogs to brand the firm empowers employees in making tactical and strategic decisions about the company's image. Such practice is named by Menzel et al. (2007) as an 'intrapreneurial' organisational culture or in the social media context (Kietzmann et al., 2011) democratisation of corporate communication. But in comparison to office desktop setting MT context allows a greater flexibility over the process of updating blogs that in turn "stimulates creativity and accumulates interesting ideas". In fact, creativity is underlined as an essential skill to successful integration of MSM into business processes. "Creativity is the only legal mean to win over competition when it comes to mobile technology and social media. Especially when you can learn this technology quite easily, some kind of special ingredient is needed." (I8). B2B firms reveal that some kind of mechanisms exists in place to boost creative thinking in their firms: "We regularly meet on weekly basis and discuss new ideas... It encourages the team to think outside the box" (I13).

B2B firms insist that branding activity within MSM deployment implies strategic thinking behind. Interviewee 6 (I6) emphasises that to successfully utilise MSM "there needs to be a strategy and then goal. You need to be able relate your results back to that goal... having a social media campaign for mobiles, about 80 per cent of it is all about strategy, time limits, goals and realization of results rather than actually doing the work". Otherwise, "the whole thing become a bit pointless" – Interviewee 14 (I14) claims.

We found that all 18 firms participated in our research use MSM to **sense the market** in order to learn about potential business clients, consumers who are the ultimate target in value proposition for B2B customers, "use it as a research platform of the behaviour" (I7), and finally to understand and "track what our competitors are doing" (I3). Periodic literature on social media (Baker and Green, 2008; Berinato, 2010) is consistent with this study's empirical finding that monitoring a marketplace is a substantial function of the MSM capability. Learning about the market is particularly advantageous in the MT context where offline data about MSM users become available (Kaplan, 2012). Such data implies locating users at particular location as a particular point of the time and, therefore, advancing possibilities to predict consumption patterns. Once again relevance of information increases drastically in comparison to consuming and searching for data through stationary and desktop IT.

Michaelidou et al. (2010) posit that attracting new customers and potential clients is the ultimate goal of using social media in the B2B context. Our findings are in line with this argument and demonstrate that branding via social media creates opportunities for networking

and enlarging the customer base. Interviewee 5 (I5) says: “Now you have to find new ways of engaging with potential clients... I engage with them through social media, I set up the social media site. I track them to that site. They begin to read and like what I’ve said.” **Relationship management** is part of the MSM capability and is considered to be critical particularly in the MSM context because opportunities to access social media anywhere anytime lead to the flexibility and efficiency in communication process. In comparison to interaction through desktop and stationary IT where time restrictions are present irritating effect is minimised to the maximum in the mobile context as a result of advanced permission for engaging into conversation (Barwise and Strong, 2002). Moreover, according to Interviewee from firm 18 (I18) MSM is an efficient communication mean for business purposes. “Facebook app, Twitter app, LinkedIn on my phone and iPad are pretty much the touch point, my contact info. We communicate in a company through Facebook. It is quicker as you are always connected to it” (I18). Instant and continuous connection is seen ability to immediate response and taking over various business opportunities. However, respondents acknowledged negative side of continuous connection to the business as “failure to balance and separate work and personal life” (I16).

Finally, social media is a ‘bank’ of ideas and new concepts that can be acquired by firms with no costs (Mangold and Faulds, 2009; Fischer and Reuber, 2011). This is mostly applicable to B2C firms. However, B2B firms are primary contributors to popularity of social media and MSM. B2B firms, particularly in the creative industry, develop and design content for social media. “We can do a Twitter page and do a Twitter profile” (I14). “In terms of social media that is used on the go, I do develop and maintain Twitter pages for our clients” (I18). Today **developing content** for MSM is the strategically important function for B2B firms operating in marketing and advertising industry because it is a profit-generating activity becoming a core service, which digital firms should provide in order to compete in the marketplace.

What is interesting about the MSM capability is that coordination mechanisms to perform all activities as part of the MSM capability are shared across all four functions and mainly involve dissemination and integration of information about market or about technological advancements that could be incorporated into social media content. This is consistent with IT literature (Huang et al., 2009; Chen and Tsou, 2012). Interviewee 11 (I11) stresses that “key to effective use of social media consumed via mobile phones or tablets is recording all the data about changes in the industry and market behaviour. Then, such records should be fed back to creative and account management people. Sometimes, technical people might be involved”. These findings are consistent with Michaelidou et al. (2011) claims about social media platforms being mainstream source of information.

### **Implications of the research**

Although “*research into social media... is still at an embryonic stage*” (Michaelidou et al., 2011, p.1154), this study provides insights into the practices of utilising social media and MT in B2B firms. Our findings demonstrate that in order to remain competitive and utilise less costly technological solutions businesses need to perceive MSM as the strategic capability that drives firms’ competitiveness. We identified a number of factors MSM has in comparison to accessing social media via desktop stationary IT. Activities performed as a result of employing MSM lead to the decreased research and development spendings without sacrificing innovativeness of the firm. This is due to the fact that MSM is a valuable source of information about the market and a source of *relevant* ideas that potentially can be incorporated into new products and service offerings. In practical terms firms can examine activities they perform using MSM and decide whether there is an opportunity for them to utilise mobile technology and MSM advantageously. It is critical to acknowledge that this study is limited in its sample representation presenting only one industry (marketing and

advertising) that is heavily involved into MSM due to a specialised nature its business. Other industries should be included for further studies to strengthen our understanding on MSM as a strategic capability.

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## Appendix A. Mobile Social Media as a Strategic Capability: Exploratory Findings<sup>2</sup>

Activities	Routines	Skills/Know-how	Coordination Mechanisms
<b>I. <u>Market sensing</u></b>			
• <b>Researching market</b>	Understanding the target audience behaviour: <ul style="list-style-type: none"> <li>▪ Finding what social media channels the audience uses</li> <li>▪ Understanding how the target audience consume social media (particular emphasis on time and location)</li> </ul>	Analytical skills for social media content analysis Technical skills in applying technological means (specialist software) to understand social media metrics	Disseminating and interchangeably exchanging market research results between management, creative, and technical teams
• <b>Tracking competition</b>	Mapping competition Following Twitter, Facebook accounts of competitive firms Keeping records on best practices Discussing informally various practices with the creative and technical teams	Creative know-how about competitors' content (design and information) on social media channels Technical know-how about competitors' services and products	Coordinating knowledge about various approaches to use social media channels within and outside of the industry
<b>II. <u>Managing relationships</u></b>	Searching for new clients Engaging with potential clients – trafficking to firm's social media channels (i.e. Twitter profile, Facebook page) Using social media channels as a communication device with existing clients	Technical skills in applying technological means (specialist software and online technology) to analyse traffic Customer care skills	Coordinating and sharing responsibilities on communication with clients between clients' account management and creative teams Coordinating knowledge on potential clients between management and technical teams
<b>III. <u>Branding</u></b>	Updating regularly firm's and personal social media pages' content with news feeds about the firm's developments and "emerging trends" in the industry Promoting new services and products via social media channels	Transferrable skills: translating experience and knowledge about mobile social media on a personal level to business setting	Coordinating and exchanging information about firm's progress and latest technological trends between all departments/teams (i.e. using internal blogs to accumulate the data)
<b>IV. <u>Developing content</u></b>	Incorporating social media into existing service offerings (i.e. online ads visible on Facebook) Developing new service/product on social media (developing and maintaining clients' Facebook pages, Twitter accounts)	Creative skills/know-how to develop social media content User-generated content analysis	Learning about functionality and consumption patterns of social media Understanding functional boundaries of social media in relation to creative inputs

<sup>2</sup> The table summarises results of the grounded theory analysis, particularly axial and selective coding phases.