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**Title:** Harnessing social media business affordances for internationalisation : multiple case study of small and medium-sized enterprises

**Year:** 2022

**Version:** Accepted version (Final draft)

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**Please cite the original version:**

Vanninen, H., Mero, J., & Glavas, C. (2022). Harnessing social media business affordances for internationalisation : multiple case study of small and medium-sized enterprises. *International Journal of Export Marketing*, 5(2), 141-162. <https://doi.org/10.1504/IJEXPORTM.2022.10048615>

**Harnessing social media business affordances for internationalization: Multiple case study  
of small and medium-sized enterprises**

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Declarations of interest: none

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**Abstract**

This study examines how small and medium-sized enterprises (SMEs) leverage social media affordances in their internationalization pursuits. A multiple case study of eight SMEs representing business-to-business and business-to-consumer firms from Australia and Finland reveals that social media affordances are used for internationalization pursuits via three core activities: 1) generation of market intelligence, 2) marketing communications, and 3) relationship marketing. Furthermore, when conducting these activities, SMEs were found to employ either firm-centric or market-centric logic that led to the identification of six unique social media business affordances. The study contributes to theory by demonstrating how social media business affordances are harnessed for internationalization and showing the implications of firm-centric and market-centric logics in the execution of social media activities.

**Keywords** – Social media, digital technologies, affordance theory, digital marketing, internationalization, SMEs

## 1. INTRODUCTION

Firms are increasingly utilizing various new technologies such as social media (Li et al., 2021) to formulate and adapt their strategies to the needs of new markets (Caputo et al., 2021). In particular, internationalizing firms are able to access market-related information and use new means to reach and engage international customers, stakeholders and network partners (Bell & Loane, 2010; Mathews et al., 2016; Salvi et al., 2020), thus removing obstacles to foreign market entry (Loane et al., 2004). Furthermore, technology has made internationalization more feasible for small and medium-sized enterprises (SMEs) because it offers cost-effective communication and selling channels (Fraccastoro et al., 2020; Gassmann & Keupp, 2007; Mathews & Zander, 2007) and ways to mitigate the liabilities of foreignness and resource scarcity (Arenius et al., 2006).

Social media is ‘a group of Internet-based applications that build on the ideological and technological foundations of web 2.0, and allow the creation and exchange of user generated content’ (Kaplan & Haenlein, 2010, p. 61). Due to the real-time nature of social media platforms, they can have a more direct and faster impact on business performance in international markets (Alarcón-del-Amo et al., 2018). Furthermore, inexpensive content creation possibilities (Berthon et al., 2012; Schniederjans et al., 2013) have made an increasing amount of information accessible on these platforms (Shin et al., 2015). This vast amount of textual and visual content can offer important insights into international markets if monitored carefully (Bullini Orlandi et al., 2020; Kaiser et al., 2020).

Extant research on social media usage by firms is scattered across various streams focusing on marketing (Salo et al., 2017), entrepreneurship (Drummond et al., 2018), information systems

(Aral et al., 2013) and the intersections of these fields (Olanrewaju et al., 2020). The majority of studies focus on domestic contexts and specific domains, such as social selling (see Ancillai et al., 2019; Lacoste, 2016), branding and advertising (Brennan & Croft, 2012), and relationship building (Sigfusson & Chetty, 2013). Although previous research has contributed to our understanding of the potential business benefits of social media usage, the literature lacks in-depth insights into the key affordances and concrete activities through which SMEs harness social media for fostering international growth (Alarcón-del-Amo et al., 2018; Buckley et al., 2017; Fraccastoro et al., 2020; Fraccastoro et al., 2021). SMEs' social media use in the international business environment compared to domestic settings is different due to the liabilities of foreignness and outsidership (in addition to the liabilities of smallness and oftentimes newness that are prevalent in domestic contexts) (Hurmelinna-Laukkanen et al., 2020; Johanson & Vahlne, 2009; Vahlne et al., 2012) and thus more research is needed to investigate the international context of social media use (Buckley et al., 2017; Cao et al., 2018). Against this backdrop, the current study delves into the activities of social media that SMEs use for internationalization efforts. To elaborate, the study addresses a research question: *How do SMEs utilize social media in their internationalization pursuits?*

To address the research questions, we use the theory of affordances (Gibson, 1977) to provide insights into the potential use cases of social media in the context of SMEs' internationalization. Our theoretical framing is in line with Nambisan et al. (2019), who suggest utilizing an affordance lens to investigate digital technologies' impact on entrepreneurship practices and outcomes for specific sets of actors, such as social media affordances, which can have different implications in different use contexts. Our specific focus is on the types of organizational activities that social

media provides its users with the ability to conduct, as suggested by Leonardi & Vaast (2017). Understanding how SMEs harness the potential use cases of social media, called ‘affordances’ (Gibson, 1977), is critical, as digital technologies do not generate economic value themselves; instead, the value is created by the actors who leverage the affordances (Steininger, 2019). In our search for answers, we synthesize findings from the fields of marketing, information systems and entrepreneurship to analyse and understand the various ways social media are used by internationalizing SMEs. Such an interdisciplinary approach is suggested to address the topic because it is very interdisciplinary by nature (Nambisan et al., 2019). If properly leveraged, digital affordances may lead to ‘digital dividends’ – broader development benefits from using new technologies with significant effects on entrepreneurship (Galindo-Martín et al., 2019). Subsequently, we describe and analyse a multiple case study that involves eight SMEs from Finland and Australia to gain empirical insights into how SMEs use social media in their internationalization and the underlying logics of this usage.

Our study provides several contributions to research. First, our study presents six different social media business affordances. Thus, we contribute to the affordance theory (Majchrzak et al., 2013, Treem & Leonardi, 2012 & Smith et al., 2017). Second, contributing to social media use in international business and marketing (Alarcón-del-Amo et al., 2018; Fraccastoro et al., 2020; Fraccastoro et al., 2021) the study examines how social media affordances are leveraged via concrete social media activities in the internationalization context. Further, we identified two underlying logics for each social media activity. We labelled the logics as firm-centric and market-centric to reflect the reasoning behind conducting distinct social media activities. Third, contributing to research on social media marketing strategies (Li et al., 2020), our findings

elucidate the dimensions of social media marketing strategy in the context of internationalization. The outcomes of the study are also relevant for practitioners, as skilful usage of social media, if properly performed, may offer internationalizing firms a unique competitive edge.

## **2. THEORETICAL FOUNDATION AND LITERATURE REVIEW**

The term 'affordance' originates from Gibson's ecological psychology studies (1977). In these studies, affordances are defined as latent cues in environments, such as substances, surfaces, objects, and places that hold possibilities for different actions. The original idea behind the theory of affordances is to move beyond the properties (features in the technology context) of the object (e.g., flatness or roundness) and concentrate on the utility of those features. What they afford the ability to do (e.g., walking or rolling) is the key (Gibson, 1986; Leonardi, 2013). Various features of technology allow individuals to perform certain actions, and thus, the technology can be said to provide an affordance. The affordance perspective is useful for understanding the role of technology use within organizations (Leonardi & Vaast, 2017). However, what those new roles or functions are may not be immediately obvious and remains to be explored by entrepreneurs (Autio et al., 2018), as affordances are relational: they originate from the interaction of the technology and its user (Leonardi, 2013). The same technology may provide different affordances to different users (Gibbs et al., 2013). Thus, an affordance approach is helpful in explaining why people and organizations use different technologies in similar ways or the same technology in different ways (Fulk, 1993). For example, the affordance of transparency makes it possible to see others' network positions and therefore evaluate their potential resources (Smith et al., 2017). This 'technology-in-use' emerges and evolves as groups of users use the technology for various business processes (Sinclair & Vogus, 2011). Digital technologies are essentially sociotechnical systems consisting

of more than technology components (Ciborra, 2000). Technologies depend on the proactive involvement of various groups of actors in using, operating, designing and planning them, making technology an attractor of actors. When actors participate, the digital infrastructure will evolve and give rise to different kinds of leveraging potential. This is manifested in ‘bootstrapping’, when early users make the digital technology infrastructure useful for their needs (Rippa & Segundo, 2019).

The theory of affordances (Gibson, 1977) has been used as an analytical frame across different disciplines (Parchoma, 2014) and was recently adopted to study social media affordances (Majchrzak et al., 2013; Smith et al., 2017; Treem & Leonardi, 2012). The emergence of social media represents a new technological era that changes the way businesses can benefit from technology (Leonardi & Vaast, 2017; Reuber & Fischer, 2011). Technology users’ goals shape how they come to view the features of the technology, such as what social media affords them the ability to do (Leonardi, 2011). From the affordance perspective, ‘technologies play a central role in organizations, but [the affordance lens] does not place the technologies in the foreground. Rather, organizational action is primary, and technologies that afford and constrain activities that constitute such action are seen as facilitating conditions’ (Leonardi & Vaast, 2017, p. 9). Social media are constructed of certain material properties that enable, e.g., the presentation, storage and flow of information that are not possible via other means (Leonardi & Vaast, 2017). Social media span traditional organizational boundaries between firms and their stakeholders, such as other firms, customers, competitors and other operators in the external environment. The near absence of restrictiveness and the low level of complexity of social media in combination with the open environment provide the capability for new manners of social media utilization to emerge. For



example, the open environment empowers users to innovate in new ways (Sinclair & Vogus, 2011). A key feature of social media is its social transparency, which distinguishes it from other technologies used by firms and allows users to see the communication and behaviours of others using social media (Leonardi & Vaast, 2017). Social media can also provide a continuous feedback loop that results in, e.g., new tasks and new ways of interacting that together allow new decision-making processes and outcomes with few, if any, restrictions (Sinclair & Vogus, 2011). The most commonly mentioned social media affordances are presented in Table 1.

**\*\*TABLE 1 HERE\***

However, the extant research focusing on the affordances perspective (not social media use in general) has largely focused on technical characteristics, such as editability and persistence, which are seen as the affordances resulting from specific features of the technology (Majchrzak et al., 2013, Treem & Leonardi, 2012 and Smith et al., 2017). For instance, the affordance of persistence originates from the features that allow users of social media to see the past activity of others. As the current knowledge on affordances remains on a rather technical level and does not consider the affordances' business potential, the perceived benefits for businesses are largely neglected. Only a few studies (Leonardi & Vaast, 2017; Versteegen et al., 2019) take theorizing to the next level and examine affordances from a business benefit perspective. Leonardi & Vaast (2017) conceptually examine how social media affordances may alter socialization, information sharing, and power processes inside organizations that use various enterprise social media software products. Versteegen et al. (2019) discuss the enactment of digital (not specifically social media) affordances overall, focusing on how building information modelling (BIM) technology allows

more efficient work and improved productivity inside organizations. In a similar vein, Autio et al. (2018) examine the macro-level perspective of digital affordances and how they facilitate entrepreneurial opportunity pursuit by new ventures through business model innovation. Interesting from the perspective of international business is the notion that as digital affordances are not location-specific, they likely challenge or alter spatial affordances (Autio et al., 2018). This means that the actual physical location of the focal firm may become less important in the digitized economy.

More research on social media affordances is needed from the business benefit perspective, as making more strategic use of social media is in the interest of many firms (Lam et al., 2016). In particular, smaller and newer firms have started to implement social media for a variety of business-related objectives because of its low cost (Drummond et al., 2018), and it has transformed the way many businesses operate (Aral et al., 2013). At its extreme, social media can be used to run a whole business (Olanrewaju et al., 2020). In general, the extant research examining how businesses utilize social media provides anecdotal evidence of business affordances. For example, social media facilitates firms' information flow and knowledge sharing in both internal and external networks (Fischer & Reuber, 2011; Fraccastoro et al., 2021; Smith et al., 2017), resulting in increased effectiveness and innovativeness (Lam et al., 2016). Social media can even redefine how firms relate to customers, suppliers, and other stakeholders, leading, for example, to new collaboration opportunities (Lam et al., 2016; Stephen & Toubia, 2010). Relationship-building potential is also evident in the international context, as social media connects firms with people and locations all over the world (Berthon et al., 2012; Okazaki & Taylor, 2013). Entrepreneurs who establish and maintain relationships through social media in addition to face-to-face

interactions generate unique resources that can be used to enter new markets (Drummond et al., 2018; Fischer & Reuber, 2011; Sigfusson & Chetty, 2013). For instance, firms use social media to become embedded within emerging and strategic networks in international markets by communicating to networks and arousing interest in customers and partners (Fraccastoro et al., 2021). Further, SMEs identify new business opportunities, persuade customers, and manage relationships with the help of social media (Fraccastoro et al., 2020). The search affordances are also highlighted in previous findings that firms use social media for innovation and idea sourcing (Bhimani et al., 2019; Olanrewaju et al., 2020) and expert advice search (Kuhn et al., 2016). Overall, social media is used by firms to create value, enhance entrepreneurial business processes, drive firm innovation and improve performance (Olanrewaju et al., 2020). Although previous research has contributed to our understanding of the potential business benefits of social media usage, the literature lacks in-depth insights into the key affordances and concrete activities through which SMEs harness social media for fostering international growth (Alarcón-del-Amo et al., 2018; Buckley et al., 2017; Fraccastoro et al., 2020; Fraccastoro et al., 2021).

### **3. METHODOLOGY**

We adopted a qualitative multiple case study approach (Eisenhardt, 1989). A qualitative approach is especially suitable for underexplored research areas such as social media use in internationalization, and the multiple case study design allows us to develop contextual insights by comparing how different businesses utilize social media business affordances to support their internationalization pursuits (Eisenhardt & Graebner, 2007).

To facilitate theory building and empirically rich insights, we used theoretical and purposive sampling logic (Patton, 2015) in our case selection. First, we wanted SME-sized firms (a firm had to have fewer than 250 employees to fulfill the EU classification of an SME (OECD, 2005)) that were actively pursuing international customers and/or other stakeholders via active social media use. Next, we decided to select an equal amount of business-to-business (B2B) and business-to-consumer (B2C) firms to get insights from both business and consumer markets. Following extant research (Fischer & Reuber, 2011; Glavas et al., 2019), as the second criterion, we included firms whose offerings varied in terms of the extent to which they were digitized. We selected both firms in which all operations are technology enabled, including their core offerings, and firms that also have brick-and-mortar stores and/or provide physical products. Third, in line with Chandra (2017), to go beyond the focus on a single continent that is typical in international business studies and to enrich and extend the insight potential, we chose cases from Finland and Australia, both relatively small and open economies that are heavily reliant on exporting. However, our aim was not to compare these two countries but rather to enrich and extend the variety of findings.

Based on these case selection criteria, we constructed a list of firms that were active on social media and verified from external sources, such as the business press or company website, whether they were actively pursuing international customers. We searched and contacted firms with the aim of having two firms in each cell of the matrix, representing both Australian and Finnish firms. In the initial contact with the firm, we verified that the firm was actively using social media for internationalization purposes. As a result, we ended up with eight cases that fit the abovementioned case selection criteria and were evenly distributed to the four domains of the selection matrix (Table 2). Eight cases are considered an appropriate and manageable number of cases for

developing elaborate theories (Eisenhardt, 1989). Table 3 highlights the demographic information of the eight Finnish and Australian cases selected for this study.

\*TABLE 2 HERE\*

\*TABLE 3 HERE\*

Data were collected using two methods: semi-structured interviews and the analysis of public and private data. Previous research examining internationalization has suggested that the international entrepreneur can be identified as the single representation of the firm, particularly in relation to key decision-making processes (Chetty & Hamilton, 1993; Reuber & Fischer, 2011). Thus, for the collection of data, we used the key informant protocol (Kumar et al., 1993) and interviewed one key informant per firm, the founding entrepreneur or other key decision maker. In three Australian and two Finnish cases, the interviewee was the original founder of the firm. In other cases, we selected another key decision maker because the original founders had either left the firm or were working in R&D and thus were not knowledgeable of the social media usage. In line with Huber and Power (1985), we collected primary data through face-to-face, semi-structured interviews. We kept the interviews open-ended so that interviewees were free to raise any issues they found relevant to their social media usage. The interviews lasted on average 42 minutes. The data collected were digitally recorded and transcribed and stored in the case database.

To complement the in-depth interviews, we obtained key public and private data from each case firm, including media articles, website and social media data, videos, podcasts, marketing and advertising material and international performance-related documentation. In addition, we

reviewed the respondents' and firms' social media profiles in all the social networking sites they used and conducted basic 'behaviour checking' through a review of their publicly available social media posts and specific other social media sources that the interviewees mentioned as insightful, e.g., for gathering international market intelligence. This is consistent with studies that examine social media use (Fischer & Reuber, 2011) and is best practice for augmenting and validating other basic data (Fauchart & Gruber, 2011). These additional steps helped to ensure data integrity (Yin, 2016) and increase our understanding of the type of information that firms have available in various social media sources indicated by the interviewees. For example, when the interviewee named a specific source(s) whose social media profile(s) provided valuable information from an international business perspective, we were able to verify this information from the original source.

The data were analysed in accordance with Eisenhardt (1989), whereby a within-case analysis was carried out by developing detailed descriptions of each case as a stand-alone entity, combining all the relevant information from multiple sources. We then used theoretical coding (Saldana, 2015), where we focused on comparing individual cases with the affordances recognized from the extant literature (see Table 1) and by noting what kind of affordances were prevalent in each of the cases. We then conducted a cross-case search for patterns (Eisenhardt & Graebner, 2007), using both tables and graphs (e.g. Table 4) to facilitate the analyses of the data (Miles & Huberman, 1994). We noted that six different social media business affordances resulting from identifying two underlying logics began to emerge from the data. Based on this, we constructed Table 4, which describes the key characteristics of each social media business affordance. To ensure the validity of the data, the informants were asked to comment on case summaries developed to validate the key findings.

#### 4. FINDINGS

All case companies found social media to be a critical and cost-effective platform for SMEs to gain growth in international markets. The data highlighted three major affordances of social media that the case companies leveraged to boost their international expansion: 1) information search potential, 2) information-conveying potential, and 3) relationship initiation/building potential. The exploitation of each affordance was manifested via respective social media activities. First, information search potential was realized via the use of social media to generate market intelligence about foreign markets. Second, information-conveying potential was realized via the use of social media for marketing communications in international markets. Third, the relationship initiation/building potential was exploited via the use of social media for relationship marketing with international customers and other stakeholders.

Although all case companies executed the three key social media activities, the case companies were found to differ in their underlying logic of *how* these activities were performed to gain international growth. These logics reflected and were categorized as firm-centric and market-centric logics of social media use. The key difference between the logics is that the firm-centric reasoning treats a firm's growth strategy as a fixed entity and social media is perceived as a tool to implement the predetermined strategy. On the other hand, market-centric reasoning treats the firm's growth strategy more flexibly, and thus, social media is used as a tool to shape the firm's growth strategy.

The identification of key social media activities and usage logics allowed us to structure the key findings to a unified table that also reveals the positioning of each case company in terms of the

logic of social media use in different activities (Table 4). Notably, the data revealed that the case firms' logic of using social media varied depending on the social media activity. In fact, only one case company (DigB2BAu) used the same logic across the social media activities, whereas the remaining seven cases used different logics for performing distinct activities. This finding implies that many SMEs have both fixed and flexible elements in their growth strategies and thus adopt a balanced approach in their use of social media business affordances. All in all, the cases were equally divided between firm-centric and market-centric logic in their use of social media for generating market intelligence, whereas a clear majority of case firms employed firm-centric logic in marketing communications but a market-centric approach in relationship marketing. The following subsections discuss the findings related to each key social media activity.

\*TABLE 4 HERE\*

#### *4.1 Generation of market intelligence*

All the firms leveraged social media for generating intelligence of foreign markets. The interviewees noted that social media is especially useful as a source of market intelligence due to the rapidity of knowledge flow and easy access to constantly updated information from various international markets. To tackle information overload, many case companies focused on the most relevant social media channels and communities that consistently produced timely industry- and/or market-relevant information beneficial for the firm. However, the case firms' underlying logic to use social media for generating market information reflected either firm-centric or market-centric reasoning, which led to the identification of two distinct social media business affordances.



The firm-centric affordance was labelled *market assessment affordance*, which was manifested by the case firms' efforts to generate market intelligence from social media to *assess the potential of new market areas that can be served with existing offerings and business models*. This affordance was also referred to as an opportunity to assess product-market fit. Altogether, four case companies (DigB2BFi, DigB2BAu, DigB2CFi, PhyB2CAu) highlighted the importance of market assessment affordance. For example, DigB2CFi followed multiple social media channels to determine how various international markets are adopting sustainable practices in the restaurant industry, as the maturity of sustainable practices varies significantly across markets. Since sustainability is at the core of the firm's business, the firm uses this intelligence to select the markets that seem ripe for its offering:

‘[By following certain journalists in social media] I got a market analysis of French markets regarding similar platforms and how there are now several new local players. I contacted one of them and asked how they differ from each other. Thereafter, I started to follow further journalists. They share things actively and are interested about the field.’  
(DigB2CFi)

On the other hand, four case companies (PhyB2BAu, DigB2CAu, PhyB2CFi, PhyB2BFi) harnessed social media for generating market intelligence with market-centric logic, which we labelled *market insight affordance*. It was manifested by these firms' use of social media to *gain market insights for tailoring new offerings and business models to market needs*. To elaborate, these firms focused on social media listening to find weak signals of customer needs and market dynamics that were subsequently used for gaining business growth in international markets. For

example, PhyB2BFi stated that the market information the firm gathers from social media shapes its whole market entry strategy and helps it tailor new offerings to specific markets:

‘The things we have been able to notice via social media [about competitors] have affected the growth of our operations and customers, the very core of our strategy, we have positioned ourselves that we are not just ingredient, but platform technology provider and we can offer raw material for all of these segments. And our business is – if everyone has [only] one – actually three different businesses. All this knowledge originates from following how firms in the US are communicating and how their business is doing. It comes from following their [social media] feeds.’ (PhyB2BFi)

#### *4.2 Marketing communications*

Second, all case firms leveraged social media in marketing communications and perceived it as an important channel to gain visibility in international markets and foster conversations with customers and other stakeholders. The majority of case firms followed firm-centric logic in their marketing communications and perceived *brand building* as the key affordance of social media. They considered that social media has given them new options for reaching international target audiences and *to foster brand awareness and desired image by publishing compelling content in various channels*. Many interviewees specified that they aim to create social media content that engages international customers and attracts them to firms’ websites where they can offer detailed information on their offerings and value propositions. Although our observations confirmed that the social media content was predominantly information-rich and even educational in nature and

has the potential to create value for customers, it was associated with a firm-centric logic because the firms were the key actors in communications rather than customers:

‘It's more education-based rather than visual-based content. I think that it's important in showing to the world and to other people who we are, what we do. And explaining it. And so, obviously Instagram's really good for that kind of education.’ (PhyB2BAu)

Furthermore, some companies harnessed brand building affordance by empowering external parties (customers or stakeholders) to act as ‘brand representatives’ that participate in spreading the brand message across the globe. For example, PhyB2CFi and DigB2CAu utilized social media influencers (Instagram influencers in PhyB2CFi’s clothing business and bloggers in DigB2CAu’s travel business) in international markets and perceived them to increase their credibility in international markets. Active brand building on social media was also perceived to produce spillover effects on other media channels. For example, PhyB2BFi attracted the attention of the international press and scored two articles in the Guardian, providing important visibility for the new firm, when a journalist noticed a social media post by the firm. Moreover, social media is a multi-actor environment where collaborations and ‘tags’ attach the firm to other social media user profiles. For example, PhyB2BFi benefits from ‘legitimacy spillovers’ resulting from ‘tags’ by third parties that connect the firm to credible and well-known international competitors. In addition, both PhyB2BFi and PhyB2CFi are concerned about their ‘brand matches’, meaning that both firms want their international stakeholders’ social media profiles to match their own brand images.

The market-centric logic in marketing communications was used by two case companies (DigB2BAu and DigB2CFi). These firms perceived the information conveying potential as a market-initiated *interaction affordance* and used social media *to interact with customers by joining conversations as equal participants*. Instead of a focus on content creation and delivery to customers, these companies were actively monitoring discussions that had been organically developed around users' interests in different social media communities:

'I found them [a start-up company] from a Facebook group. They were reaching out for some help, they were looking for someone with experience with travel, and digital marketing, and I sort of reached out to them and said, "Hey, I've got this experience."  
(DigB2BAu)

Specifically, the firms' aim was to join those conversations that were related to their areas of expertise or interests so that they were able to make valuable contributions to those discussions. This approach to social media communications is fundamentally market-driven, as customers and other individuals initiate conversations, while firms join them as conversation participants.

In addition to monitoring external social media communities, DigB2CFi made significant efforts to serve as a conversation moderator by building their own communities. Our observation data showed that the conversations on this firm-owned community included firm-initiated discussion threads, but a significant part of them represented user-generated content. Typical posts in DigB2CFi's community related to sustainable food consumption included pictures of the food that consumers had saved from ending up in a trash by purchasing them at a minimal price, along with

a statement such as ‘look at this catch’. With this market-centric approach in social media communications, DigB2CFi was able to foster organic consumer advocacy in the form of voluntary influencers representing both partners and customers, whose actions have further attracted new customers and members to their community:

‘We have a lot of organic micro influencers, and we don’t even know about the majority of them. There are many and we occasionally see sudden surges in the amount of [new] users, if they have shared pictures of rescued meals.’ (DigB2CFi)

#### *4.3 Relationship marketing*

Third, the case firms also utilized social media for *relationship marketing* with customers, partners and other stakeholders. Notably, only one case company (DigB2BAu) was found to rely on a firm-centric approach in relationship marketing via social media, which we labelled *relationship initiation affordance*. The label refers to the case firm’s tendency to *use social media as a medium for initiating relationships with preselected customers and stakeholders*. Specifically, DigB2BAu used social media as a means to collect publicly available information about preselected customers, and this information was subsequently leveraged to contact them via tailored messages that resonated with target customers’ business needs. DigB2BAu considered this approach the most effective way to initiate relationships with specific large B2B customers and acquire them as customers.

‘One client, they were only on Twitter, and I didn’t have a Twitter. I built this account that was purely purpose driven for me to connect with this person, to have that conversation,

and this is when I'd [already] sent a few emails, they hadn't been returned, and I know they hadn't even been opened, some of them. We ran that person down.' (DigB2BAu)

Instead, all the other case companies utilized a market-centric approach in relationship marketing via social media, which we labelled *relationship building affordance*. This affordance was manifested by *using social media as a medium to build and nurture relationships with customers and stakeholders who initiated the interaction with the firm (i.e., leads)*. The interaction initiated by customers and stakeholders had many forms. Sometimes a potential lead simply liked or commented on a firm-generated social media post, while at other times, the potential lead contacted the company more directly after consuming a piece of social media content generated by the firm. The key idea was to systematically focus on those social media users that had shown some initial interest towards the company, which enabled a fruitful starting point to nurture the initial interest into sales or other relational outcomes. Consider the following quote:

'We do a lot of sales [because of social media]. I have never done a cold call in sales while working here in [the firm]. All the contacting I do are the ones from LinkedIn. It's either that someone has liked our posts or has contacted me in LinkedIn. A concrete way of acting is that if I post something that is related to [the firm], I agree with someone in our sales team that they go through my post, all the likes and all the comments and sees if there is any potential companies that we could easily contact.' (DigB2BFi)

Similarly, the case firms perceived social media as a powerful channel to attract international partners, which is highly important for SMEs that have limited budgets to participate in offline

networking events, such as trade shows. For example, PhyB2CFi supplements the few international industry fairs it attends yearly with social media activities:

‘A few times a year, we go to industry fairs to show our new collections and to meet resellers. But social media is as integral as the fairs because we get a lot of requests from interested resellers even if they haven’t seen our products anywhere in real life. – Everything we do in social media is partly because we hope they [resellers] contact us. – A British reseller said that we have to grow the amount of our Instagram followers before they will sell us in their store. Instagram is on a global level the channel where you have to be visible [in the industry].’ (PhyB2CFi)

## **5. DISCUSSION**

Our study finds that social media affords SMEs to support their internationalization via three core activities: 1) generation of market intelligence, 2) marketing communications, and 3) relationship marketing. Further, these activities have two different use logics that are described in the following chapters. We labelled the logics as firm-centric and market-centric to reflect the reasoning behind conducting distinct social media activities. In brief, firm-centric logic conducts an activity based on a firm’s own needs, whereas market-centric logic conducts an activity based on market needs. These logics resonate with the literature on inside-out and outside-in logics: similar to firm-centric logic, inside-out logic focuses on finding markets for a firm’s existing offering and perceives customers as passive recipients of firm-generated information. In contrast, the outside-in logic is similar to market-centric logic, as it refers to a customer-centric approach that focuses on designing

offerings by listening to market needs and perceives customers as the sources of information and initiators of interaction with the firm (Bruhn & Schnebelen, 2017; Day, 1994).

The logic behind conducting a social media activity was found to have remarkable implications for the nature of social media affordances perceived by the firms. The firm-centric logic was manifested by market assessment, brand building and relationship initiation affordances. These affordances treat the firm's offering, desired brand image, and target customers as fixed entities, and thus, social media affords the firm a platform to implement a predetermined business strategy. On the other hand, market-centric logic was manifested by market insight, interaction and relationship building affordances. These affordances treat market needs and customer-initiated communication as strategic input, and thus, social media affords the firm to refine the existing business strategy.

Notably, our analysis concluded that SMEs use different logics depending on the social media activity concerned. This finding implies that SMEs balance firm-centric and market-centric approaches in their social media usage. In terms of generating market intelligence, the case firms were evenly divided between firm-centric market assessment and customer-centric market insight affordances. We argue that the adoption of firm-centric and market-centric logic in the generation of market intelligence may be explained by the novelty and customizability of the firm's offering. To elaborate, the firms that had highly novel and fixed offerings were inclined to find markets that were ripe for their offerings (firm-centric logic), and firms that had relatively easy customization possibilities took advantage of the insight potential to modify offerings and business models. Since social media is a multi-actor environment where various stakeholders (e.g., customers, competitors,



potential partners, industry experts) interact and produce business-relevant information, we suggest that market-centric market insight affordance may provide significant opportunities for refining the growth strategies of internationalizing SMEs. However, the exploitation of firm-centric market assessment affordance can be explained by resource scarcity (Brouthers & Nakos, 2004), as SMEs are not able to tailor their offerings according to the needs of each market.

The majority of firms relied on firm-centric marketing communications and market-centric relationship marketing. This finding may seem counterintuitive, but the heavy reliance on firm-centric marketing communications can be explained by the SME's urgent need to create brand awareness and establish a legitimate position in foreign markets, which may be difficult and slow to gain without investments in firm-centric brand building. Thus, social media provides a cost-effective means for internationalizing SMEs to create a preferred international brand image and gain legitimacy due to the spill-over effect (Ahluwalia et al., 2001) that we find to occur in the social media context via 'tagging' behaviour. In turn, the heavy reliance on market-centric relationship marketing may result from investments in firm-centric brand building; successful brand building efforts result in the generation of inbound leads, which enables firms to focus on market-centric relationship building with customers and stakeholders who have already initiated interactions with the firm.

## **6. CONCLUSIONS**

### *6.1 Theoretical contributions*

Our study provides several contributions to research. First, our study presents six different social media business affordances that resulted from identifying two underlying logics on how social

media activities are conducted. Thus, we contribute to the affordance theory (Gibson, 1986) by advancing knowledge beyond the technical affordances (Majchrzak et al., 2013, Treem & Leonardi, 2012 & Smith et al., 2017) and internal focus of social media affordances' business applications (Leonardi & Vaast, 2017; Verstegen et al., 2019). The extant research has produced a broad range of affordances that derive from information search, information conveyance and relationship initiation/building potential of social media (Majchrzak et al., 2013, Treem & Leonardi, 2012 & Smith et al., 2017). However, these remain on a 'technical' level and do not reveal how these affordances can be utilized for business purposes.

Second, the study finds that social media affords SMEs to support their internationalization via three core activities: 1) generation of market intelligence, 2) marketing communications, and 3) relationship marketing. Previous studies have delved deep on a specific aspect related to social media use in international business and marketing (Alarcón-del-Amo et al., 2018; Fraccastoro et al., 2020; Fraccastoro et al., 2021) and have shown a number of potential benefits of social media usage (Fischer & Reuber, 2011; Sigfusson & Chetty, 2013) and its positive relationship with better business performance (Alarcón-del-Amo et al., 2018). However, there was scarce knowledge on *how* these outcomes are achieved, and the question of how social media affordances are leveraged via concrete social media activities had remained unexplored. Notably, all of the social media business affordances belong to the marketing domain, although our study had a broad focus on business activities via social media and the key informants did not represent marketers.

Third, contributing to research on social media marketing strategies (Li et al., 2020), our findings elucidate the dimensions of social media marketing strategy in the context of internationalization.

Internationalization context is different from domestic contexts due to the liabilities of foreignness and outsidership (Hurmelinna-Laukkanen et al., 2020; Johanson & Vahlne, 2009; Vahlne et al., 2012). For instance, for the marketing communications activity, brand building (firm-centric logic) was a more prevalent option and can be seen as a strategy to mitigate the liability of foreignness. For the relationship building activity, fostering connections with customers who had already initiated the contact with the firm was more prevalent. While this may occur also due to the liability of smallness or newness, liability of outsidership from the relevant networks is likely to heighten these effects.

### *6.2 Managerial implications*

The outcomes of the study are also relevant for practitioners, such as entrepreneurs and managers of internationalizing SMEs. In particular, the results offer an actionable framework to assess the firm's growth strategy and its firm-centric and market-centric elements. By doing so, managers can focus on those affordances that fit the chosen strategy. The strategy-driven usage of social media may give SMEs a competitive advantage and aid them in internationalization in a cost-effective manner. For example, when market intelligence is generated via a market-centric approach, firms are able to customize an offering that fits the need of the market(s). This approach may be essentially fruitful for young firms in their business development phase that operate in emerging industries, where understanding 'weak signals' from the market offers a significant competitive edge. Overall, the findings signal the importance of entrepreneurs/managers being cognizant of utilizing and integrating social media platforms, as there are various ways to utilize social media depending on the industry, customer orientation and organizational needs of the firm.

### *6.3 Limitations and future research*

This study has limitations that can be addressed in future research. First, one of the challenges of technology-related studies is that technologies evolve constantly. For instance, social media that are favoured by companies and consumers today may cease to exist in the coming years, let alone decades. Thus, a limitation arises in terms of whether the contributions of studies examining the impact of technology will stand the test of time. However, although social media platforms utilized by firms will change and evolve over time, the underlying mechanisms will remain, as will their capability to support end-to-end entrepreneurial activities (Nambisan, 2017). The strength of the affordance approach in examining a new technology is that the affordance approach allows attention to be focused not on any particular technology or technical feature but on the types of organizational actions these afford and thus likely has staying power because it builds theory about the relationship between technology affordances and organizational action, not just about specific technological tools that are likely to become outdated (Leonardi & Vaast, 2017). Despite future developments in technology, the findings of the present study regarding present or future tools that allow the creation and exchange of user-generated content (Kaplan & Haenlein, 2010) and tools and systems that offer communication, collaboration, and/or computing capabilities to support innovation and entrepreneurship (Nambisan, 2017) will remain relevant in the decades to come. In this new technology vein, future research can add to existing studies by investigating the emergence of other new technologies, such as artificial intelligence, big data and machine learning, and their influence on business outcomes and internationalization pursuits.

The second limitation is that the sample of firms in this research comprises only SMEs employing between 2 and 200 people, thus raising questions of the applicability of the findings to other firms.

Future studies may wish to investigate social media usage beyond this size boundary. The size of the firm may also influence firms' social media use as smaller firms may have only few employees who utilize social media as a part of their day-to-day work, while in larger firms there may be employees whose job is solely focused on social media management and utilization. Future research could reveal how this influences their utilization of social media business affordances for internationalization. Third, the present study includes cases that represent entrepreneurial B2B and B2C firms from various sectors in the Finnish and Australian contexts. Thus, the findings can be generalized only within the bounds of the current study. For instance, our cases do not represent all types of firms, for instance manufacturing firms. Future research is needed to examine how firms in other industries (such as manufacturing) utilize social media business affordances for internationalization. In addition, while our context is SMEs' pursuit of international customers, social media business affordances are likely to also be relevant in domestic settings. However, future research is needed to examine the various aspects of social media use in contexts beyond those mentioned in the current study.

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## Tables

Table 1. Social media affordances (synthesized from Majchrzak et al., 2013, Treem & Leonardi, 2012 and Smith et al., 2017)

Type	Affordance	Description
<b>Information-conveying potential</b>	Visibility and transparency	Making social media users' behaviours, knowledge, preferences, and communication network connections that were once invisible (or at least difficult to see) visible to others.
	Meta-voicing	The ability to engage in the ongoing online conversation by reacting to other's presence, profiles, content and activities, thus adding metaknowledge to online content.
	Shareability and viewability	The ability to craft, edit, share and duplicate information that provides insights to others.
	Editability	The ability of an individual to modify or revise content he or she has already communicated.
<b>Relationship initiation/building potential</b>	Association	The ability to establish connections between individuals, between individuals and content, or between an actor and a presentation. The association is that of an individual with a piece of information that he or she has either created or recognized.
	Network-informed association	The capability to see how people are connected to other people, how other people are connected to content, and how content is connected to other content.
	Social interactivity and scalability	The ability to interact with others online to develop weak and strong ties and grow networks.
	Generative role-taking	The ability to engage in online conversation by enacting patterned actions and taking on community-sustaining roles in order to maintain a productive dialogue among participants.
<b>Information search potential</b>	Persistence	The ability of the information stored in a technology to grow over time.
	Triggered attending	The ability of an individual to engage in the online conversation by remaining uninvolved in content production or the conversation until a timely automated alert informs him or her of a change to the specific content of interest.
	Searchability	The ability to scan, see, review or otherwise extract online network content.

Table 2. Matrix guiding case selection

	Digitized offering (e.g., software and digital platform firms)	Physical offering (e.g., tangible products and digital hardware)
B2B	DigB2BAu DigB2BFi	PhyB2BAu PhyB2BFi
B2C	DigB2CAu* DigB2CFi**	PhyB2CAu PhyB2CFi

\* Also B2B customers, although the focus in this case is on the firm's B2C business

\*\* Operates a digital platform that connects consumers with companies



Table 3. Descriptive summary of case firms

Case	Founding year	No. of employees	Industry	Target markets	International revenue	Social media channels in use	Interviewee position
DigB2BFi	2018	30-199	Professional business services	Finland, Sweden, United Kingdom	10%	Facebook, Instagram, <b>LinkedIn</b> , Twitter, YouTube, Snapchat	CMO/ Partner
PhyB2BFi	2017	6-10	Platform technology for food production	NA*	NA*	Facebook, Instagram, LinkedIn, <b>Twitter</b> , YouTube	Founder/ CEO
PhyB2CFi	2012	16-20	Clothing and accessories design and sales	Finland, United States, United Kingdom, Sweden, Germany, the Netherlands, Japan, other European countries	15%	<b>Facebook</b> , <b>Instagram</b> , LinkedIn, Twitter, WeChat	Founder/ Creative director
DigB2CFi	2016	16-20	Food services	Finland, Sweden, Germany, Poland	10%	<b>Facebook</b> , <b>Instagram</b> , LinkedIn, Twitter, Slack, Notion, Blog	CEO
PhyB2BAu	2011	30-199	Information media and telecommunications	Japan, Thailand, China, United States	40%	<b>Facebook</b> , Instagram, LinkedIn, Twitter, WeChat, Slack	Founder/ CEO
DigB2BAu	2019	6-10	Professional business services	United States, New Zealand, United Kingdom	15%	<b>Facebook</b> , Instagram, LinkedIn, Twitter, YouTube, Slack	Founder/ Business development manager
PhyB2CAu	2015	30-199	Healthcare	United Kingdom, United States, Germany, France and India	85%	Instagram, Twitter, <b>LinkedIn</b> , <b>YouTube</b>	Founder/ CEO
DigB2CAu	2014	30-199	Tourism	United Kingdom, United States, Indonesia, Thailand, Philippines, India	60%	<b>Facebook</b> , <b>Instagram</b> , LinkedIn, Twitter, YouTube, Pinterest, Snapchat, Slack	Founder/ CEO

Note: The firms consider the social media platforms noted in bold to be more valuable.

\*The company is in the product development phase, and the offering is estimated to be launched in 2021.

Table 4. Case firms' key social media activities, logics and business affordances

<b>Key social media activities</b>	<b>Firm-centric logic</b>	<b>Market-centric logic</b>
<i>Generation of market intelligence</i>	<p><i>Market assessment affordance:</i> Social media is used to assess the potential of new market areas that can be served with existing offerings and business models.</p> <p>(Case examples: DigB2BFi, DigB2BAu, DigB2CFi, PhyB2CAu)</p>	<p><i>Market insight affordance:</i> Social media is used to gain market insights for tailoring new offerings and business models to the market needs.</p> <p>(Case examples: PhyB2BAu, DigB2CAu, PhyB2CFi, PhyB2BFi)</p>
<i>Marketing communications</i>	<p><i>Brand building affordance:</i> Social media is used to foster brand awareness and desired image by publishing compelling content in various channels.</p> <p>(Case examples: DigB2BFi, PhyB2BAu, PhyB2BFi, PhyB2CFi, PhyB2CAu, DigB2CAu)</p>	<p><i>Interaction affordance:</i> Social media is used to interact with customers by joining conversations as equal participants.</p> <p>(Case examples: DigB2CFi, DigB2BAu)</p>
<i>Relationship marketing</i>	<p><i>Relationship initiation affordance:</i> Social media is used as a medium for initiating relationships with preselected customers and stakeholders.</p> <p>(Case examples: DigB2BAu)</p>	<p><i>Relationship building affordance:</i> Social media is used as a medium to build and nurture relationships with customers and stakeholders who have initiated the interaction with the firm.</p> <p>(Case examples: DigB2BFi, PhyB2BFi, DigB2CFi, PhyB2CFi, PhyB2CAu, PhyB2BAu, DigB2CAu)</p>