

Is Social Media Adoption a Powerful Means to Reach High Performance in Small- and Medium-Sized Firms? An Empirical Investigation

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Abstract

Social media represent today an essential part of marketing strategies in business life. These communication tools are used as a source of information and dissemination of knowledge and belong to very important business marketing tactics as they help create new business opportunities, develop a stronger market position and, often contribute to changing consumer behaviour. In particular, this study investigates if and how the use of Facebook and Instagram positively affects business performance. Analyzing a sample of 30 successful European businesses that have registered relevant revenue growth in the last 3-year period, findings show that Facebook and Instagram adoption is neutral with reference to the achievement of positive financial and economic performance. An interpretive model is conceived to point out different kinds of social media adopters. Implications and limitations are discussed.

Keywords: social media, SMEs, performance

1. Introduction

Social media have been an unstoppable communication revolution (Mention, Barlatier, & Josserand, 2019) that is developed through the Internet by people who not only consume information and send messages to others but also create and share content (Cook, 2008). This pervasive phenomenon is becoming an 'integral part of everyday life' (McCann & Barlow, 2015, p. 273) and has also affected firms' domains (Hawkins & Vel, 2013) of large enterprises and small and medium enterprises (SMEs) because it is a relatively quick and low-cost means of relating with customers (Fischer & Reuber, 2011). However, despite the fact that SMEs appear to be unique in creating long-lasting relationships with customers (Cabras, Dessi, & Floris, 2009; Cooper, Upton, & Seaman, 2005; Dessi & Floris, 2010; Dessi, Ng, Floris, & Cabras, 2014; Soltani, Zareie, Milani, & Navimipour, 2018), they tend to avoid the use of social media, which undervalues their power in influencing customers, valorising specific brands or products and emphasising positive reviews of services (Guha, Harrigan, & Soutar, 2018).

Although SMEs show an intuitively better knowledge and ability in creating customer relationships than other kinds of firms, they appear to lack in-depth knowledge of technological opportunities to foster customer relations (Zontanos & Anderson, 2004) and to persuade through social media (Rageh, Melewar, & Woodside, 2013). Thus, SMEs often ignore the potential of social media for creating and enhancing business opportunities because of the growing number of people who regularly use these tools and can be easily reached. Social media can amplify word-of-mouth effects (Bughin, Doogan, & Vetvik, 2010), enhance relationships with current customers and acquire new ones (Cheng & Shiu, 2019), improve brand awareness (Wang, Pauleen, & Zhang, 2016), promote sharing and collaboration in online communities (Li, Westlund, & Liu, 2019), affect corporate reputation (Floreddu & Cabiddu, 2016) and improve financial and economic performance (Wang & Kim, 2017). SMEs make one of the most relevant contributions to the economic growth of a nation (Kumar, Al Asheq, Rahaman, & Karim, 2019), and they are drivers of economic development (Al Asheq & Hossain, 2019; Hossain & Al Asheq, 2019). Adopting social media into SME communication can provide benefits that improve business operational processes and performance. However, very few empirical studies have investigated the actual impact of social media on SME performance (Ahmad, Abu Bakar, & Ahmad, 2019; Ainin, Parveen, Moghavvemi, Jaafar, & Mohd Shuib, 2015; Musa, Ab Rahim, Azmi, Shibghatullah, & Othman, 2016; Wang et al., 2016).

This paper analyses the extent to which social media are used in SMEs and to answer questions about if and how social media adoption affects business performance (Alvesson & Sandberg, 2011). To empirically contribute to the investigation of the relationship between social media adoption and performance in SMEs, we carried out an exploratory investigation on a sample of 30 European firms that have recently been listed by the Financial Times as companies that have registered the most economic and financial performance growth for the period from 2014–2017. By mapping the sample firms' use of the most popular social media, specifically Facebook and Instagram, the study suggests interesting insights for both academics and practitioners. Our findings improve scholars' general knowledge of how successful SMEs utilise Facebook and Instagram and identify three groups of social media adopters: the social net-strong (likes-oriented), social net-soft (likes-neutral) and social net-far (likes-avoid). Our results extend the findings of previous studies that assert the general validity of social media utilisation as a way to enhance SME performance (Ainin et al., 2015; Wang et al., 2016). The results also indicate the underuse of Facebook and Instagram in successful firms. Concluding remarks and managerial implications are then discussed.

2. Literature Background

2.1 Social Media: Definition and Use

Social media are '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' (Kaplan & Haenlein, 2010, p. 61). According to Dutta (2010), the term 'social media' refers to a collection of online services that support social interactions among users and allow them to co-create, find, share and evaluate online information.

Social media are powerful tools that firms can use to interact with their customers and direct their mindsets. It is the fastest-growing marketing channel in the world (Pentina, Koh, & Le, 2012). These tools can improve communication and collaboration between a firm and its stakeholders (Culnan, McHugh, & Zubillaga, 2010). Adoption of social media is an innovative way for firms to identify products with high selling potential (Liang, Ho, Li, & Turban, 2011) and a better channel for attracting and retaining online customers (Cheng & Shiu, 2019).

Social media can be used to accomplish one of three goals for a business: building awareness, increasing sales or building loyalty (Castronovo & Huang, 2012). Unsurprisingly, the most appropriate success measurement techniques depend on the specific goal that is being pursued through the social media marketing programme (Constantinides, 2014). Additionally, social media strategically disseminate positive organisational images (Petkova, Rindova, & Gupta, 2013) that influence stakeholders' evaluations (Carroll & McCombs, 2003), by selecting information and contents to share. The aim is to create organisational popularity (Rindova, Pollock, & Hayward, 2006). In this view, social media adoption affects firm reputation (Floreddu & Cabiddu, 2016), resulting from multiple interactions with the stakeholder audience (Etter, Ravasi, & Colleoni, 2019).

Social media are generating a revolutionary change in all aspects of business and organisations (Aral, Dellarocas, & Godes, 2013) by suggesting and spreading new ways to communicate and interact with customers and stakeholders (Trusov, Bodapati, & Bucklin, 2010). The social media tools that are used most frequently include Facebook, Instagram, Twitter, LinkedIn and user-generated content websites involving video sharing and blogs (Guha et al., 2018; Kim & Ko, 2012). These platforms can influence consumers' perceptions and current traits and predict future customer behaviour (Bollen, Mao, & Zeng, 2011).

It is evident that social media embody high potential for firms to pursue business objectives and acquire new customers with low expenditure. The cost factor offers opportunities for business growth for SMEs that often appear to be in a disadvantaged position in terms of having resources to invest towards creating and reinforcing customer–firm relationships. The next section focuses exclusively on social media in SMEs, with the aim of defining (Alvesson & Sandberg, 2011) the topic by discovering opportunities stemming from social media adoption and the concrete benefits that SMEs can attain.

2.2 Social Media in SMEs

As outlined in the previous section, social media represents a revolutionary way to communicate and interact with a large number of individuals that share information, perceptions and messages to create ample social networks that affect the entire social life. When focusing on the business domain, social media allow firms to intercept new customers and retain older ones. Consumer behaviour and perceptions are influenced through a well-managed adoption of social media tools. Recently, social media have become increasingly relevant for SMEs (Meske & Stieglitz, 2013) because of the opportunities they offer in enhancing communication with customers (Castronovo & Huang, 2012), improving interaction with suppliers (Michaelidou, Siamagka, &

Christodoulides, 2011), reinforcing brand reputation (Wang et al., 2016), adopting innovation (Muninger, Hammedi, & Mahr, 2019) and sharing knowledge and perception (Kwon, Mai, & Peng, 2019). However, even if SMEs are aware of the potential that derives from social media adoption and conscious of their ability to create face-to-face, long-lasting relationships with customers (Cabras et al., 2009; Cooper et al., 2005; Dessi & Floris, 2010; Dessi et al., 2014; Soltani et al., 2018), they undervalue the extraordinary power social media can have in terms of customer interactions (Guha et al., 2018). In other words, SMEs embody a spontaneous ability in managing customer relations; conversely, they do not fully appreciate the pervasive role of technological opportunities in improving customer relations through social media tools (Rageh et al., 2013; Zontanos & Anderson, 2004). Therefore, as highlighted by Cesaroni and Consoli (2015), SMEs are deeply rooted in their local context and, for this reason, are involved in an intricate network of relationships with local actors. This SME advantage represents an additional good starting point to develop social media benefits (Geho, Smith, & Lewis, 2010) by reinforcing the contribution to the economic and social growth of local areas and the nation (Kumar et al., 2019).

Recently, many scholars have found that social media adoption improves financial and economic performance (Wang & Kim, 2017). Facebook usage, for instance, appears to have a strong positive impact on financial (and nonfinancial) performance of SMEs. It improves customer relations, produces cost reductions in marketing and customer service and enhances information accessibility (Ainin et al., 2015; Kwok & Yu, 2013). Other studies highlighted social media's ability to improve business processes and performance (Hakala & Kohtamäki, 2011; Paniagua & Sapena, 2014), provide multiple benefits for SMEs (Ainin et al., 2015), increase sales (Rodriguez, Peterson, & Ajjan, 2015) and enhance organisational social capital that, in turn, affects performance (Ferrer et al., 2013). Social media also appear to influence purchase decisions that, in turn, influence SME performance (Hassan, Nadzim, & Shiratuddin, 2015).

In light of the literature, there is room for further research oriented towards empirically demonstrating how social media are positively related to business performance (Ahmad et al., 2019; Ainin et al., 2015; Musa et al., 2016; Wang et al., 2016). This study addresses this need and aims to contribute to this ongoing debate.

3. Methodology

3.1 Research Setting, Sample Selection and Data Collection

To answer questions about if and how social media adoption is positively related to business performance and with the intent to provide further empirical analysis (Ahmad et al., 2019; Ainin et al., 2015; Musa et al., 2016; Wang et al., 2016), we carried out an exploratory investigation on the use of social media by 30 firms. We used a multiple-case-study approach (Eisenhardt, 1989, 1991; Eisenhardt & Graebner, 2007) as a method that allows scholars to understand real-life events (Yin, 2013).

To select cases, we followed Patton's (1990) suggestion that states that the 'logic and power of purposeful sampling lies in selecting information-rich cases for in-depth study. Information-rich cases are those wherein one can learn a great deal about issues of central importance to the purpose of the research' (Patton, 1990, p. 169). Specifically, the selected firms were the first 30 firms in the third annual list of the 1,000 fastest-growing European firms drawn up by the Financial Times (FT 1000) for the period from 2014–2017 (FT 1000, 2019). The criteria for inclusion in the FT 1000 list were revenue of at least €100,000 in 2014 and at least €1.5 million in 2017. The FT 1000 list comprises European SMEs from Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland and the United Kingdom.

We selected the first 30 firms listed because they appeared to be the most successful in the list, representative of different countries and different industries and able to guarantee an adequate theoretical saturation (Yin, 2011). Within the sample, there were also three firms that can be defined as large enterprises by European Commission standards because they employ more than 250 employees (see Table 1, firms 2, 3 and 9). These companies were useful for making a comparison between the behaviour of SMEs and large firms. Finally, the sample firms were characterised by growing dissimilarities and operated under resource constraints and conditions of adversity (Bradley, 2015; Powell & Baker, 2014). They need to implement new marketing strategies with a reduced investment of financial resources to survive in their markets.

The demographical details of the sample firms are synthesised in the following table:

Table 1. Firm demographic details

#	Firm	Founded	Country	Sector	Absolute Rev Growth	Rev CAGR 2014–2017	Rev 2017 (€m)
1	Blue Motor Finance	1992	United Kingdom	Financial Services	51,364%	701.4%	61.4
2	Deliveroo	2013	United Kingdom	Food & Beverage	15,749%	441.2%	316.1
3	Taxify	2013	Estonia	Technology	12,231%	397.7%	17.8
4	Solectric	2012	Germany	Technology	7,772%	328.6%	40.9
5	Psioxus Therapeutics	2006	United Kingdom	Pharmaceuticals	7,126%	316.5%	64.4
6	Housekeep	2013	United Kingdom	Technology	6,100%	295.8%	7.3
7	Crep Protect	2014	United Kingdom	Fashion	5,933%	292.2%	28.7
8	Viajes Libratur (itravex)	2007	Spain	Travel & Leisure	5,741%	288.0%	43.7
9	Darktrace	2013	United Kingdom	Cyber Security	4,829%	266.7%	36.1
10	NBWM	2013	Netherlands	Fintech	4,652%	262.2%	6.7
11	Bis Rénovation Energie	2013	France	Construction	4,400%	255.7%	13.5
12	Donatella	2014	Germany	Food & Beverage	4,186%	250.0%	7.5
13	KUPELA	2011	France	Food & Beverage	3,987%	244.5%	7.4
14	Jungle Creations	2014	United Kingdom	Media	3,863%	240.9%	11.7
15	FIDUCIM	2013	France	Property	3,806%	239.3%	8.3
16	Instaff & Jobs	2014	Germany	Support Services	3,485%	229.7%	5.1
17	Eskimoz	2010	France	Support Services	3,429%	228.0%	6.0
18	Tantal	2003	Germany	Ecommerce	3,168%	219.7%	11.8
19	Buzzoole	2013	Italy	Media	3,104%	217.6%	4.4
20	Framery	2010	Finland	Interiors	3,059%	216.1%	39.9
21	Metacrew Group	2008	Germany	Advertising	2,882%	210.1%	14.0
22	GF Genovate	2014	United Kingdom	Energy	2,815%	207.8%	20.3
23	Tenderhut	2010	Poland	Technology	2,782%	206.6%	3.7
24	AND Digital	2013	United Kingdom	Technology	2,756%	205.7%	20.9
25	Perkbox	2010	United Kingdom	Technology	2,721%	204.4%	40.7
26	Kolinpharma	2013	Italy	Pharmaceuticals	2,660%	202.2%	4.1
27	Anteco Systems	2014	Spain	Technology	2,575%	199.1%	5.0
28	Tooploox	2012	Poland	Technology	2,526%	197.2%	4.7
29	Musement	2013	Italy	Travel & Leisure	2,522%	197.1%	8.9
30	DMS	2013	Germany	Media	2,436%	193.8%	14.4

Source. Authors' elaboration of FT 1000 list, 2019.

To analyse the extent to which social media have been adopted in the sample SMEs, we focused on Facebook and Instagram as two of the most frequently used social media within European SMEs (Eurostat, 2020). Primary data were collected from the Facebook and Instagram official pages for the sample firms. The data were gathered from September 1 to November 1, 2019. The data collected from Facebook were 1. date of page creation; 2. number of followers; 3. number of likes on the page; 4. time of answers; and, 5. the visitor ratings (if available). Instagram data were 1. number of followers; 2. number of posts; 3. media likes; 4. media comments; 5. media visualisations; and, 6. engagement rate.

Secondary data came from reports, articles in the press and other documents related to understanding SME social-media use.

3.2 Data Analysis and Findings

To analyse the data, we followed three steps. First, each author analysed the data independently. Second, the authors shared their analyses and, in case of differences, engaged in further investigation to pursue a consensus. Third, following the recommendations of Eisenhardt (1989), we engaged in a cross-case analysis to identify common patterns and contradictions across the sample (Eisenhardt & Graebner, 2007), and we revisited the data often using tables and charts to compare cases (Miles & Huberman, 1994).

The analysis of the sample firms' Facebook and Instagram pages is synthesised in Table 2.

Table 2. Details and analysis of Facebook and Instagram pages

N°	Firm	Facebook				Instagram						
		Date page	N°of followers	N°of likes	Time of answers (if available)	Rating (if available)	N°of followers	N°of Posts	Media likes	Media comments	Media visualisations	Engagement rate
1	Blue Motor Finance	-	-	-	-	-	105	6	22	0	85	21.33%
2	Deliveroo	2015	742.836	740.125	1 h	N.A.	56.433	844	188	10	6.382	0.35%
3	Taxify	2013	1.335.934	1.334.968	N.A.	N.A.	62.165	121	759	86	-	1.38%
4	Solectric	2018	218	198	1 day	N.A.	2.045	422	19	0	159	0.98%
5	Psioxus Therapeutics	-	-	-	-	-	-	-	-	-	-	-
6	Housekeep	2013	4071	3913	1h	N.A.	339	31	14	0	-	4.51%
7	Crep Protect	2012	555.862	552.863	1 day	N.A.	1.417.156	3.815	16.484	112	142.450	1.17%
8	Viajes Libratur (iTravex)	2013	17.825	17.540	1 h	4,3/5	-	-	-	-	-	-
9	Darktrace	-	-	-	-	-	-	-	-	-	-	-
10	NBWM	2013	233	236	N.A.	5/5	-	-	-	-	-	-
11	Bis Rénovation Energie	2017	10.163	10.039	N.A.	3,4/5	11	1	2	1	10	27.27%
12	Donatella	2016	28.729	29.259	N.A.	N.A.	14.544	69	177	1	439	1.23%
13	KUPELA	2015	5930	5867	N.A.	N.A.	2.411	209	72	1	-	3.05%
14	Jungle Creations	2016	7880	6737	N.A.	N.A.	12.278	361	517	5	42.454	4.25%
15	FIDUCIM	2019	8	8	N.A.	N.A.	6	0	-	-	-	-
16	InStaff & Jobs	2014	7251	7256	N.A.	4,8/5	440	188	23	0	-	5.48%
17	Eskimoz	2013	6439	6211	N.A.	4,4/5	-	-	-	-	-	-
18	Tantal	2012	6333	6278	1 day	N.A.	3.383	185	19	0	-	0.59%
19	Buzzoole	2012	24750	24383	1 h	N.A.	9.484	1.331	31	1	-	0.35%
20	Framery	2011	3394	3092	1 day	5/5	4.879	95	206	4	570	4.32%
21	Metacrew Group	-	-	-	-	-	-	-	-	-	-	-
22	GF Genovate	2017	3019	3094	N.A.	N.A.	-	-	-	-	-	-
23	TenderHut	2015	501	491	N.A.	N.A.	-	-	-	-	-	-
24	AND Digital	2014	599	579	N.A.	N.A.	1056	384	50	0	272	4.86%
25	Perkbox	2015	111.200	111.372	1 day	4,6/5	7.123	288	20	0	96	0.29%
26	Kolinpharma	2014	2119	2109	N.A.	5/5	108	60	9	0	-	9.18%
27	Anteco Systems	2014	2222	2215	1 day	4,7/5	2.107	150	15	0	88	0.79%
28	Tooploox	2012	1911	1791	N.A.	5/5	747	415	36	0	-	4.93%
29	Musement	2017	109.400	107.374	N.A.	N.A.	14.090	1.689	166	1	-	1.19%
30	DMS	2012	11	11	N.A.	N.A.	-	-	-	-	-	-

Source. Authors' elaboration.

In general, the findings revealed that successful firms underuse Facebook and Instagram in the case of both SMEs and large firms. For Facebook, we noted that, notwithstanding the fact that only three firms (two SMEs and one large firm) did not appear to have a Facebook profile, its use within the listed firms was surprisingly low. At the time of the analysis, only nine firms showed at least 10,000 followers (two of them were large enterprises), and only three of them had more than 500,000 followers (two of them were large enterprises). Moreover, in several cases, Facebook was used as an information source, rather than a way to engage customers and improve relationships with them. Additionally, the number of published posts was often low, even for firms that possessed

the highest number of followers.

For example, Taxify, a large firm founded in 2013 in Estonia and operating in the technology industry, showed more than 1.3 billion followers. However, it showed a low frequency of published posts (an average of approximately one or two per month). Interaction with followers was quite good, with an average of 25 comments and likes per post. Deliveroo, a large firm founded in the United Kingdom and working in the food and beverage industry, had more than 700,000 followers and published an average of five or six posts per month. In this case, the interaction with followers was also quite good, with an average of 40 comments and likes per post. Crep Protect, founded in 2014 in the United Kingdom and operating in the fashion sector, showed more than 500,000 followers and published an average of six to seven posts per month. Crep Protect's interaction with followers was quite good, with an average of 30 comments and likes per post.

Conversely, Musement, an Italian SME founded in 2013 and operating in the travel and leisure industry, published one post per day and was successful in engaging followers in debates, exchanges of thoughts, etc. In fact, its posts stimulated reactions in followers who answered with likes, emoticons, emoji and comments written under the posts. Moreover, Buzzoole, another Italian SME, founded in 2013 and operating in the media sector, published an average of one post per day although the interactions with followers were lower than those elicited by Musement. There was little difference for Kolinpharma, the third Italian SME in the sample, founded in 2013 and operating in the pharmaceutical industry. This firm published an average of five posts per month, but its followers were engaged in discussions and commented on the published posts with likes, informative questions, suggestions, etc. Particularly interesting is the case of Perbok, an English SME founded in 2010 and operating in the technology industry. This firm published an average of one post per day and used Facebook to engage followers in debates, even if the number of answers by its followers was generally low and the posts did not have any form of interaction.

Concerning the use of Instagram, we noted that firms generally tended to treat this platform as an information portal or a broadcast media and not so much as a tool to produce a tangible impact on the bottom line. The results showed that about 73% of the firms analysed were using Instagram without an exchange of information (see Table 2). This emerged from the high number of followers and from the lack of comments to the various posts. In general, the number of likes and views was proportionate to the number of posts placed by the enterprises with an average of one post per week. This behaviour can perhaps be justified by the fact that firms are exploring the use of online communities as a platform to drive traffic, increase engagement, create awareness, promote events and inform and educate the public and groups, or perhaps they are in the early stage of utilisation and are still in the experimental phase of figuring out which social media platforms work best for their business. Most firms have yet to develop adequate contents to drive interactions. Important data emerged from Crep Protect. This company has more than 1 million followers, 3,821 posts, 14,085 likes and 97,085 views and presents an average of only 85 comments with an engagement rate (defined as the average of the likes and comments of the last 12 posts, excluding the most recent, divided by the total number of followers) of lower than 1%. Other significant data came from Jungle Creations, established in 2014 in the United Kingdom and operating in the media sector. This SME, with 12,278 followers, 361 posts, 517 media likes and 5 media comments, presented an average of 42,454 views with a higher engagement rate than the average 4.25%. The only firm created before the year 2000, Blue Motor Finance, was founded in 1992 in the United Kingdom and operates in the financial services sector. It is present on Instagram for information purposes with only 105 followers, 6 posts, 22 media likes, 0 average comments and 85 media views, but it has a higher engagement rate than the average rate of 21.33%.

The remaining 19 firms have an engagement rate lower than average, and the remaining 27% (8 companies) are not present on Instagram.

Examining the data about Facebook and Instagram adoption, the findings reveal there are three groups of social media adopters. We labelled them social net-strong (likes-oriented), social net-soft (likes-neutral) and social net-far (likes-avoid). The general overview of findings is shown in Figure 1.

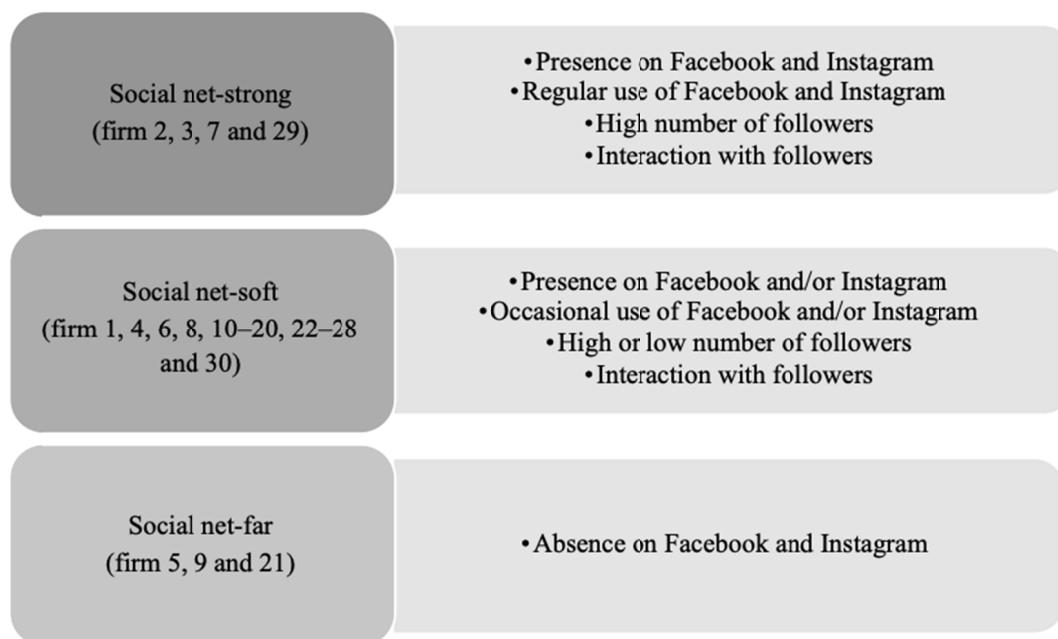


Figure 1. Findings of the general overview

The first group comprises firms (two SMEs and two large firms) that regularly use Facebook and Instagram, show a large number of followers (at least 100,000 for Facebook and at least 10,000 for Instagram) and interact with them, even if published posts are not necessarily frequent. They show good financial and economic performance. They are the 2nd, 3rd, 7th and 19th in the FT 1000 list. The industry in which social net-strong firms operate does not appear related to the use of social media.

The second group comprises firms (all SMEs) that have a Facebook or Instagram profile or both. The use of these social media is occasional, and the number of followers is lower than that of their social net-strong counterparts. Within this group, there is variability among the number of followers, and for what concerns the SMEs' behaviour on Facebook and Instagram. This means that the use of the analysed social media is different among the firms. Also, in this group industry is not related to the use of social media.

The third group comprising the listed companies (one large and two SMEs) is the social-net-far group, and it is characterised by a complete absence of the businesses from Facebook and Instagram. It was surprising that these sample firms were listed among those European firms that have registered the highest in terms of increasing revenues. This suggested that Facebook and Instagram do not necessarily positively affect financial and economic performance.

Analysing the empirical evidence from the sample of 30 successful European firms, we propose the following interpretive model (see Figure 2.), based on the assumption that social media adoption (in this case, Facebook and Instagram) is not related to good financial and economic performance.

This led us to conceive the following propositions:

P1: *The adoption of social media (Facebook and Instagram) is neutral with respect to the achievement of good performance*

Additionally, when social media are used,

P2: *Successful firms that show good performance and regularly adopt social media (Facebook and Instagram) for their business are called social net-strong.*

P3: *Successful firms that show good performance and occasionally adopt social media (Facebook and Instagram) for their business are called social net-soft.*

P4: *Successful firms that show good performance and do not adopt social media (Facebook and Instagram) for their business are called social net-far.*

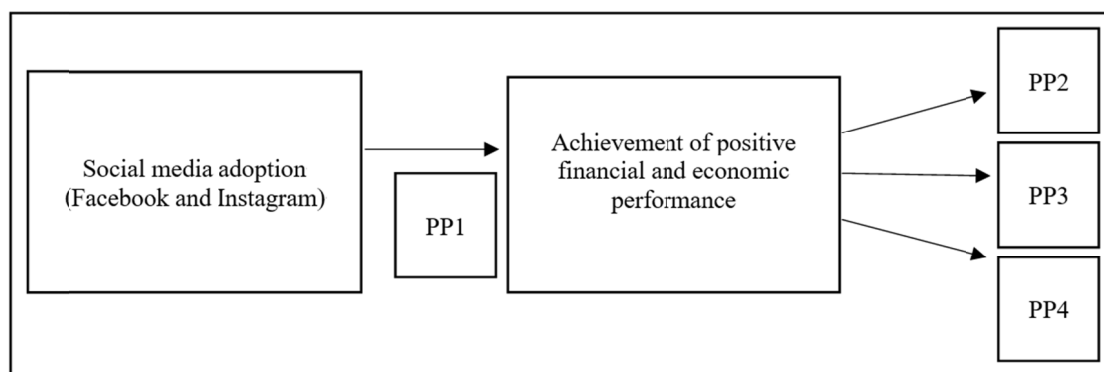


Figure 2. The interpretative model

4. Discussion and Conclusions

Our findings show that Facebook and Instagram adoption is neutral with reference to the achievement of positive financial and economic performance. If these social media are used, firms can be grouped as social net-strong and social net-soft. When these social media are not used, the firms are labelled social net-far. However, the results are particularly interesting because they show a reduced use of Facebook and Instagram within the sample, even though the sample comprises successful European firms that have registered relevant revenue growth in the last 3-year period. This seems to suggest that the power of Facebook and Instagram to improve and create customer relationships is not adequately appreciated by the analysed firms. These tools are underused and undervalued.

The interpretive model of synthesising findings contains important academic and practical implications. With reference to scholarly implications, our contributions are threefold. First, this study addresses the need for further empirical analysis on how social media affect company performance. Several researchers (Ahmad et al., 2019; Ainin et al., 2015; Musa et al., 2016; Wang et al., 2016) have proposed empirical investigation carried out on a sample of successful European firms. Intuitively, we expected to find high use of Facebook and Instagram because the sample firms have shown very positive performances in the last three years. Instead, the use of the observed social media was not as obvious as expected except for the firms called social net-strong, which also included two large enterprises. These results appear to be partially in contrast to previous studies that have found that social media adoption improves financial and economic performance (Ainin et al., 2015; Hassan et al., 2015; Paniagua & Sapena, 2014; Rodriguez et al., 2015; Wang & Kim, 2017).

Second, the conceived interpretive model sheds new light on the extent to which SMEs, and even large firms, adopt social media. The model introduces different categories of adopters with heterogeneous Facebook and Instagram use behaviour, starting from the beginning point that some successful firms show a low (or absent) use of these social media.

Third, we corroborated previous studies that have found that SMEs possess intrinsic abilities in managing long-lasting relationships with customers and achieving good performance (Cabras et al., 2009; Cooper et al., 2005; Dessi & Floris, 2010; Dessi et al., 2014; Soltani et al., 2018) but that they undervalue the power that social media (specifically Facebook and Instagram) might deliver in terms of customer interactions (Guha et al., 2018). Also, in our sample, the firms undervalue the pervasive role of technological opportunities in improving customer relations through social media tools (Rageh et al., 2013; Zontanos & Anderson, 2004). In terms of practical implications, this study can be useful for entrepreneurs and consultants when considering how social media can be used to improve their customer relationships. In the sample analysis, except for companies with regular and effective use of Facebook and Instagram, the others do not make great use of these media, and, when they do, the instrument remains underutilised compared with its potential. The results of this study could help entrepreneurs and consultants determine which of the categories their firm is currently in (social net-strong, social net-soft and social net-far) and improve their position to increase their visibility, reputation and popularity through social media.

Like all research, this study has drawbacks. One, in particular, can present an interesting suggestion for future researchers. This is related to the choice of Facebook and Instagram as the media for analysis. This choice affects the generalised statements about social media use. Sample firms, in particular, social net-soft and social net-far, might regularly use other social media (LinkedIn, Twitter, etc.), and the current study has focused only on

Facebook and Instagram because they are most frequently used. Future studies could address this drawback by including other social media and comparing the obtained results. The results could corroborate or refuse the current findings.

Additionally, the size of the sample could be enlarged in future studies to identify potential characteristics that can influence social media adoption in different ways (culture, industry, etc.). Finally, this study is qualitative, and the interpretive model shows a series of propositions that could be measured and tested by future quantitative research by selecting and conceiving specific indicators.

In conclusion, despite the highlighted limitations, we believe that the study has contributed to studies on social media by providing nuances in the interpretation of social media use, although much, in this sense, has yet to be built.

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