Social Media Practices in SME Marketing Activities: A Dynamic Capability Approach

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The thesis is submitted in partial fulfilment of the requirements for the award of the degree of Doctor of Philosophy of the University of Portsmouth

University of Portsmouth
Portsmouth Business School

20th October 2016
**Declaration**

Whilst registered as a candidate for the above degree, I have not been registered for any other research award. The results and conclusions embodied in this thesis are the work of the named candidate and have not been submitted for any other academic award.

Thesis word count: 84,031

Iva Atanassova
Acknowledgements

First and foremost, I would like to thank my first and my second supervisors, Dr Lillian Clark and Professor Colin Wheeler, for their great guidance, help and encouragement over the last four years. I would like to thank my family and especially my father, Valentin and my son, Valentin who are both my stars and my inspiration! I would like to thank my colleagues from the Marketing and Sales Subject Group who supported me throughout the project, and Ben Meehan from QDA training who helped me immensely with the NVivo software, at the data analysis stage of the project.

I would also like to thank the individuals who participated in this project for the time they dedicated to participation. The project would not have been possible without their contributions.

Finally, I would like to thank my husband for his support, patience and understanding throughout the research project.
Dissemination


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# Glossary

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<th>Abbreviation</th>
<th>Definition</th>
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<tbody>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Sized Enterprises</td>
</tr>
<tr>
<td>RBV</td>
<td>Resource based view – Theory of firm competitive advantage, which claims that the basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources, VRIN (valuable, rare, inimitable and non-substitutable)</td>
</tr>
<tr>
<td>VRIN</td>
<td>Valuable, Rare, Inimitable and Non-substitutable - Organisational resources’ attributes which create competitive advantage.</td>
</tr>
<tr>
<td>DCs</td>
<td>Dynamic Capabilities - Theory of firm competitive advantage emphasizing that the ability to react adequately and timely to external changes requires a combination of multiple capabilities. The concept of DC emphasizes that to be successful, a company needs to adapt and evolve through constant learning.</td>
</tr>
<tr>
<td>OL</td>
<td>Organisational Learning - Organization-wide continuous process that enhances its collective ability to accept, make sense of, and respond to internal and external change.</td>
</tr>
<tr>
<td>MO</td>
<td>Market Orientation - Organisational openness to identifying and meeting the stated or hidden needs or wants of customers.</td>
</tr>
<tr>
<td>LO</td>
<td>Learning Orientation – Organisational commitment to learning, shared vision, open-mindedness, and intraorganizational knowledge sharing.</td>
</tr>
<tr>
<td>EO</td>
<td>Entrepreneurial Orientation - is a combination of three dimensions: innovativeness, proactiveness, and risk-taking (Wiklund, 1999).</td>
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Abstract

This thesis explores the marketing transformation processes taking place in a diverse selection of SMEs as a result of their use of social media. Building on literature from SME marketing, social media and dynamic capabilities, the Market Intelligence Accumulation Through Social media (MIATSM) model is developed and presented, which conceptualises the processes and factors, affecting the organisational ability to transfer market intelligence gained from social media into internal, organisational-level learning and marketing evolution. The study employs phenomenological case study methodology to develop five explorative case studies of diverse SMEs operating in South East England. The data was collected via semi-structured interviews with key actors, social media data and informal discussions, and thematically analysed using MIATSM model. The MIATSM model application demonstrated that at the operating capability level, through the use of social media on a daily basis, and applying proactive logic, two of the studied companies built absorptive capacity and this learning was captured on a strategic level and led to strategic changes in their marketing practices. Organisational VRIN (valuable, rare, inimitable, non-substitutable) resources, such as loyalty, engagement, and relationships, were also positively impacted. The other three case companies exhibit disjointed, outbound practices, unclear strategic direction, rigid structure, narrow mind sets, and broken internal communication flows, which constrained the accumulation and application of market intelligence for marketing evolution. The findings of this research highlight that the organisational factors – culture, structure and systems, actors, and resources – have crucial importance for developing an ability to adapt to new information that arises externally, and reaping the benefits of organisational social media use. The findings demonstrate the research and practical application of the MIATSM model in shedding light on the highly context-dependent and under-researched processes of absorptive capacity development on operating and dynamic capability level through the use of social media, and the follow-on marketing evolution. This thesis makes original contributions in that it extends the understanding of the role of social media for SME marketing practices development, and provides a model to guide understanding development in the area. Additionally, these findings bring contribution and new insights to the SME Marketing, Social Media and Dynamic Capability literature. Future research should build on this study by applying the MIATSM model to other industry and organisational contexts.
1 Chapter One: Introduction

1.1 Introduction and Research Context

Small and medium-sized enterprises (SMEs) make substantial contributions to national economies and are estimated to comprise over 99% of all European businesses (Patrice et al., 2014), and 67% of total employment (Muller et al., 2015). In the United Kingdom, 99% of all businesses are SMEs (Rhodes, 2015) and 59.3% of private sector employment (Department for Business Innovation & Skills, 2013) and 50% of GDP come from SME activities (Adderley, 2012). SMEs play a key role in most economies as suppliers, distributors, and consumers (Ndubisi & Matanda, 2011). This economic significance holds regardless of the fact that they often do not have the requisite time, resources or training for strategic development, struggle with implementing brand-building and communication plans, and are not well organised to carry out marketing activities or forecast future demands (Cartan-Quinn & Carson, 2003; Harrigan, Ramsey, & Ibbotson, 2011). SMEs tend to engage in short-term tactical projects due to their lack of resources which often inhibitors their growth (Carson, Cromie, McGowan, & Hill, 1995; Gilmore et al., 2001b; Harrigan, Ramsey, & Ibbotson, 2011).

SMEs are by nature intuitive, creative, showing superior understanding of customer needs, and entrepreneurial opportunity, dynamic, with distinctive managerial style, about networking and unable to make decisions in an ordered and linear fashion (Carson et al., 2004; Schollhammer & Kuriloff, 1979; Merrilees, Rundle-Thiele, & Lye, 2011). The above characteristics govern marketing planning that is haphazard, informal, intuitive and unstructured, characterised by change and flexibility (Carson et al, 1995; Pearson & Ellram, 1995; Hill & Wright, 2000). These specifics portray SMEs as a unique type of organisation, distanced from universal business theories, and basic marketing models (Hills et al., 2008; Hulbert et al., 2013; Zontanos & Anderson, 2004).

In an increasingly turbulent and knowledge-based environment, companies face a growing need for real-time market knowledge. Market knowledge and firms’ ability to generate it are at the core of organisational competitiveness (Spender, 1996). SMEs’ ability to learn faster than larger competitors, through constantly accessing vital and inexpensive real-time environmental information is considered a key source of their competitive advantage
SMEs have already successfully incorporated a number of digital platforms in their businesses. They are also early adopters of social media (De Saulles, 2008; Harris & Rae, 2009; Barnes et al., 2012). Both from a theoretical and practitioner perspective, however, many aspects of their experimental social media use are poorly understood (Durkin et al., 2013; Harris et al., 2012; Paniagua & Sapena, 2014). Particularly limited is the understanding of the processes of social media market intelligence development and application in the SME marketing context (Harrigan & Miles, 2014; Harrigan et al., 2015; Hodis et al., 2015). An in-depth understanding of these processes could have valuable implications for reducing SME uncertainty and resource scarcity by leveraging their real-time market knowledge, resource-matching abilities, learning and marketing capabilities.

Therefore, to bridge the identified gap in the understanding, a theoretical model to guide research and provide insight into conceptualisation and theory building in the novel area of social media use for marketing development is needed. This theoretical model needs to be flexible enough to account for the unstructured process of SME social media use, but at the same time provide guidance and structure to explore the processes and factors, affecting SME ability to transfer market intelligence gained from social media into internal, organisational-level learning and marketing evolution.

1.2 Theoretical Framework

To investigate the processes of interest and develop a theoretical model, this research adopts the dynamic capabilities theoretical approach (DCs). The concept of DCs emphasizes that to be successful, a company needs to adapt and evolve through constant learning (Teece, 1994). The DCs concept provides a suitable framework for the understanding of the process of SME social media practices by taking into account their informal and complex business relationships, unique characteristics, and the dynamic and non-linear nature of their social media use. Moreover, there is a general shift in contemporary marketing from linear to more fluid and dynamic approaches that further favours SMEs’ inherently dynamic business style (Minniti & Bygrave, 2001; Zhang, Macpherson, & Jones, 2006; Franco & Haase, 2009), and establishes the DCs as a suitable lens to understand these experimental marketing and social media management practices.
1.3 Research Aims and Objectives

The aim of the present research is to develop a theoretical model to guide exploration of SME social media practices as a source of market intelligence for marketing development and evolution. The model will conceptualise the processes and factors affecting SME ability to transfer market intelligence gained from social media into marketing evolution. This model has to be flexible enough to account for SME diverse and informal marketing style and their unique characteristics. It is well documented in existing SME literature that SME marketing is haphazardous and that this idiosyncratic marketing style differentiate them from conventional marketing practiced in large organisations (Carson, 1990; Gilmore, Carson, & Grant, 2001). These differences may be determined by the inherent size and stage of development of the enterprise and the industry the organization operates in (Carson, 1990; Gilmore, Carson, & Grant, 2001; Hills, 1987). Therefore, the research will apply the model to a diverse selection (across the dimensions identified: age, size, industry) (comparative sample) of SMEs to produce an in-depth understanding and a cross-case comparison of how their social media use affects their marketing practices by exploring the following learning processes:

- The process of exploration and capturing of market intelligence through social media practices (exploratory learning or potential absorptive capacity)

- The process of internal sense-making of the acquired information (learning) in the SME marketing context (transformative learning or realized absorptive capacity that also relates to knowledge storage over time)

- The process of exploitation of that learning by studying how the marketing operational capabilities are altered as a result (exploitative learning)

The development of comparative cases would allow a rich theory-building experience and will uncover the processes by which different firms learnt different things while involved in the social media market intelligence absorption, and how the last lead to different future marketing practices.
1.4 Research Definitions

Definitions of the key concepts applied throughout the thesis are outlined below.

1.4.1 Small and Medium-sized Enterprises

SMEs are defined in various ways. The definition adopted in the study is in accordance with the European Union conventions. In line with it, SMEs are companies with less than 250 employees and that have an annual turnover of less than 50 million euro or a balance total of less than 43 million euro (European Union Commission, 2003). Moreover, the latter definition is the most commonly used one in the academic literature to date. The definition of SMEs could be broken down into three sub-categories in accordance with the EU definition:

- Medium-sized businesses: less than 250 employees; less than 50 million euro annual turnover or a balance total of less than 43 million euro
- Small: less than 50 employees; less than 10 million euro annual turnover or a balance total of less than 10 million euro
- Micro: less than 10 employees; less than 2 million euro annual turnover or a balance total of less than 2 million euro

1.4.2 Social Media

Social media applications are defined as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of user-generated content.” (Kaplan & Haenlein, 2010, p.61)

1.4.3 Market Intelligence for Marketing Development

Market intelligence encompasses the process of environmental scanning, gathering and analysis of external information in order to understand the market and determine their present and future needs, behaviour and preferences, and to detect changes in the business environment (Kohli & Jaworski, 1990). Market intelligence can be used to determine opportunities, threats, to formulate business and marketing plans and strategies.

1.4.4 Dynamic Capability

The DCs concept considers that competitive advantage is underpinned by a firm’s ability to continuously learn, adapt, re-configure, and re-new resources, and as a result create new
capabilities (Teece, Pisano, & Shuen, 1997). The DCs concept is discussed in more detail in section 3.4.

1.5 Research Contributions

The principal findings of this research are as follows. Firstly, a unique model has been developed that recognizes the informality of SME marketing and conceptualises the processes and factors affecting SME ability to transfer market intelligence gained from social media into marketing evolution. It aims for an in-depth understanding of how SMEs are using social media to accumulate, transform and exploit market intelligence through the application of the MIATSM model, in the unique context of five diverse SMEs.

Secondly, whether marketing evolution was triggered as a result, and the impacting (facilitating/hindering) conditions were investigated and identified; thirdly, we make a contribution to ongoing research on competitive advantage. Through the MIATSM model, a link, missing until now, between social media use and marketing evolution is established, and this research theorizes this under-researched area. The MIATSM model applies an outside-in logic to DCs development, on how social media use enables marketing evolution, by providing a suitable framework and synthesizes organisational factors.

Through the lenses of the MIATSM model, it is identified that social media market intelligence penetrates all areas of the digital forerunners companies to enable real-time learning and market evolution. It has been found that social media can be used to build and increase companies’ absorptive capacity as a crucial capability for marketing evolution. Through the MIATSM model it was identified also that digital forerunners achieve an alignment between their overall corporate purpose/mission/strategy and their digital initiatives by exhibiting and nurturing an agile culture, and having the right organisational factors/conditions (internal culture, structure and systems, actors, resources) in place, which all allow them to achieve the right balance between exploration and exploitation (ambidexterity) activities.

The social media practices of the forerunners companies developed as a dynamic process of collective learning, which leads them to create higher order marketing understanding and learning, which in turn allowed the development and deployment of substantive marketing capabilities and quick adjustment to fast-changing markets. This operational effectiveness of the learning processes and alignment of the organisational factors – actors,
structure and systems, internal culture and resources – emerged as more important than the long-term strategy, and highlighted their importance as unique organisational VRIN resources.

1.6 Research Structure

The structure and content of each thesis chapter is briefly described in this section.

Chapter One

Chapter One outlines the research context and aims. Key concepts applied throughout the thesis are defined. The research contributions are listed and a brief outline of the structure is presented.

Chapter Two

Chapter Two presents the literature review. The first part of the literature review sets the scene of SME businesses and particularly marketing practices. In the second part of the literature review section, social media technologies are discussed as increasingly important for all kinds and sizes of enterprises. Empirical evidence from academic research to date is examined and synthesized, and an evaluation of the current empirical evidence is presented. The increasing importance of social media technologies in the context of SME marketing is outlined and justified. The chapter then concludes with a summary of the identified problems in the academic literature to date, implications for the present research, and justification of the present research project.

Chapter Three

Chapter Three examines the theoretical concepts appropriate to frame the research. The importance of taking into consideration the flexibility and the distinctiveness of SME marketing practices is justified together with the need for structured research design that will provide additional validity. Advantages and disadvantages of potentially suitable theoretical concepts are discussed and evaluated. The DCs concept is chosen to frame the study. The chapter concludes with discussion of the application of the concept in the present research, and with an outline of the research aims and objectives, structured through the lens of the developed MIATSM model. Lastly, the research objectives are depicted and discussed.
Chapter Four

Chapter Four presents the research design and methodology. The adopted philosophy is justified. The chapter also outlines and justifies the cases selection criteria, the theoretical framework application, and the data analysis strategy. A standardized structure for the in-depth interview is also developed based on the MIATSM model, and then a discussion of measures follows. The chapter concludes with an examination of the reliability and validity of the research, the researcher’s skills, and how the findings of the research will be presented.

Chapters Five to Nine

Chapters Five to Nine present the within-case findings of the research. The five case studies narratives are presented.

Chapter Ten

Chapter Ten discusses the cross-case analysis.

Chapter Eleven

Chapter Eleven discusses the key findings and contributions of the research, and draws conclusions. The MIATSM model is validated and supported by the key findings. Differences between digital forerunners’ and digital laggards’ marketing strategies through social media market intelligence use are synthesized. The chapter concludes with recommendations, limitations and suggestions for future research.
2 Chapter Two: Literature Review

2.1 Introduction

The purpose of the literature review chapter is to firstly define SMEs and establish their business characteristics and importance in the global, European and UK contexts. The section proceeds with an overview of, and reflection on, the existing academic literature on SMEs by discussing their heterogeneous marketing practices, advantages, and limitations. Lastly, the main trends and gaps, identified through the extensive literature review, are summarized. The section then discusses digital technologies and particularly social media business applications, and then narrows the focus to SME social media practices. The literature review section concludes with a definition of the aim of the present research.

2.2 Section One: SME Business and Marketing Characteristics

This section introduces SME business practices, characteristics, definition and importance for the economy. A thorough review of the existing SME marketing literature is presented, SME marketing characteristics, and limitations are synthesized in tables. Main trends, identified in the SME marketing literature are evaluated and discussed. This examination of literature highlights areas requiring further research, deeper understanding and theory development, of which some are under the focus of the present research project. Lastly, gaps in the literature are synthesized, and implications for the current research are presented.

2.3 SME Business Characteristics

Small and medium-sized enterprises (SMEs) make substantial contributions to national economies and are estimated to comprise more than 95% of the enterprises across the globe, and approximately 60% of private sector employment. SMEs continue to grow in the United Kingdom, and at the beginning of 2013, they represented over 99.9% of all private sector businesses, 59.3% of private sector employment and 48.1% of private sector turnover (Department for Business Innovation & Skills, 2013). They have recently been called “a bulwark against the devastating effects of the global financial crisis” in a European Union report on SMEs (Patrice et al., 2014). These enterprises have experienced continuous growth of around 14% in the UK since the beginning of 2008 (Department for
Business Innovation & Skills, 2013). SMEs have received significant attention in the last 30 years, as they are seen as particularly important not only for European economic development, but also globally.

The SME sector is highly heterogeneous. In the UK alone, they account for more than 4.5 million companies, from a broad spectrum of industries, ranging from street grocers to high-tech and dynamic businesses (London Stock Exchange Group, 2013). As summarized in the BIS report from December 2013, due to SME heterogeneity, their drivers of success vary and cannot be classified under size, age or sector (Department for Business Innovation & Skills, 2013). Hence, not all SMEs are trying to grow; those that do not are referred in the literature as “mom and pop” or “lifestyle” companies (Carson et al., 1995; Cartan-Quinn & Carson, 2003; Miller, Besser, & Malshe, 2007). These slow-growth companies need a different set of resources from high-growth ones (Brush, Greene, Hart, & Haller, 2001). Likewise, in the same business industry, two entrepreneurs almost never act the same (Hills et al., 2008). Durst (2012) adds that small firms are very different from medium-sized ones. They perceive, interpret, and identify different possibilities.

Furthermore, SMEs are particularly susceptible to failure (Carson & Mc Cartan-Quinn, 1995; Gray, 2005). They have a failure rate of 50% within the first five years (Gray, 2005). Therefore, it is crucial to ensure the survival and growth of these economically important enterprises (Hamburg, 2014). To achieve this, a detailed understanding of their various needs, practices, business constraints and growth process is crucial, however, generalisations about the small firm sector can be hazardous and, as a minimum, distinction is needed between the service and the manufacturing industry sectors (Carson et al, 1995; Cartan-Quinn & Carson, 2003 and Hills et al., 2008).

2.4 SME Marketing Practices

SME business style is fundamentally different from that of larger organisations (Carson et al., 1995; Hills & Hultman, 2006; Harrigan, 2013). Their marketing practices are also different from the traditional marketing theory. SME marketing is simple, efficient, intuitive and lined up with their unique internal culture (Carson et al., 1995; Hills & Hultman, 2006; Harrigan, 2013). They execute ‘bottom-up’, interactive approaches, without long-term planning of their marketing practices (Stokes, 2000; Carson, 1990), rather than classical ‘top-down’ segmentation, targeting and positioning strategies (Stokes, 2000; Stokes & Nelson, 2013). A recent BIS report on SMEs, summarizing findings from a
survey among UK SMEs conducted in 2012, confirms the above by reporting that 46% of all SMEs do not have a formal business plan.

SMEs focus on opportunities recognition and exploitation by placing knowledge about their customers at the heart of their business (Oakey, 1991; Hills et al., 2008; O’Driscoll et al., 2000). High-performing SMEs ‘live’ continuously with the market, by innovating in their customer orientation through development and maintenance of meaningful relationships with their key customers (Hultman, 1999; Kleindl, Mowen, & Chakraborty, 1996; Gilmore, Carson, Grant, et al., 2006). Thus, SMEs are differentiating their marketing practices by leveraging their superior knowledge of customers, markets, and technologies (Hills et al., 2008).

They are constantly thinking of how to improve customer value, which in turn results in higher level of customer loyalty and satisfaction (Carson et al., 1995; Hultman, 1999; Jones & Rowley, 2011). Hence, marketing penetrates all areas and levels of the small organisation (Hills et al., 2008). SMEs invest in building their informal, distinctive, personalized and interactive managerial style. They use extensively a wide web of networks in order to access resources and create and sustain competitive advantage through in-depth understanding of markets (Carson et al., 1995; Hills et al., 2008; O’Donnell, Gilmore, Carson, et al., 2001; Shaw, 2013).

As a result of these unique marketing characteristics, the main differences between traditional and experimental SME marketing are on a tactical level, in the marketing application, which is seen as leading to superior customer and market understanding, and to superior market positioning (Smart & Conant, 1994; Stokes & Nelson, 2013). Extensive networking has the potential to expand organisational customer and supplier contacts, to enable capabilities development, facilitate resources acquisition, innovation and strategic partnerships (Harris & Rae, 2009b; Zontanos & Anderson, 2004; O’Dwyer et al., 2009). In general, external ties are positively linked to firm performance (Gelatkanycz & Hambrick, 1997). SMEs’ distinct and diverse marketing practices, based on relationships and direct customer contacts, recommendations and WOM are considered one of their unique strengths (Stokes & Nelson, 2013; Brooksbank, Kirby, & Wright, 1992; Hulbert et al., 2013). Numerous studies to date have clearly established the link between SMEs’ success against larger companies and their abilities to network, establish relationships and innovate in their practices (Nootboomp, 1994; Miller et al., 2007; Adebamjo & Michaelides, 2010; Gronum, Verreynne, & Kastelle, 2012). Consequently, the diverse context, processes and
behaviour of SMEs cannot be standardized easily or explained by traditional marketing thinking (Storey, 1994; Carson et al., 1995; Cartan-Quinn & Carson, 2003; Jones & Rowley, 2011). Many of the more structured procedures necessary for ‘formal’ and exchange-focused marketing would in fact be confronted with the inherent and advantageous flexibility of the small firm (Murray & O’Driscoll, 1996). The above is not surprising, as the research on marketing practices has traditionally been concentrated on large industrial organisations, which follow planned, structured processes and transactional marketing (Coviello, Brodie, & Munro, 2000, Cartan-Quinn & Carson, 2003, Carson et al, 1995).

Currently, the academic insight into SME marketing, and particularly into the use of marketing networks and relationship building in the context of SME marketing, is limited (Siu & Kirby, 1995; Carson, Gilmore, & Rocks, 2004). Additionally, significant gaps remain in the understanding of why some SMEs achieve growth and why others “…start small, live small, and die small” (Davidsson, Achtenhagen, & Naldi, 2005). For a summary of the SME general business and marketing characteristics, see Table 1. The table is based on extensive review of academic literature on SME Marketing, published after 1985.
### Table 1 SME General Business and Marketing Characteristics

<table>
<thead>
<tr>
<th>General Characteristics of SMEs</th>
<th>Authors &amp; Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure rate of 50% within the first five years</td>
<td>Gray, 2005</td>
</tr>
<tr>
<td>Many new SMEs start up every year but only 40% percent of them survive for ten years</td>
<td>Levy &amp; Powell, 2005</td>
</tr>
<tr>
<td>Growth (founded to grow) SMEs vs lifestyle or &quot;mom and pop&quot; SMEs (founded to provide an income for the owner)</td>
<td>Fuller, 1994; Carson et al., 1995; Cartan-Quinn &amp; Carson, 2003; Raju et al., 2011</td>
</tr>
<tr>
<td>SMEs are in general more creative and innovative than larger companies</td>
<td>O’Shea, 1998</td>
</tr>
<tr>
<td>The owner capacity to change have a significant impact on company growth</td>
<td>Cartan-Quinn &amp; Carson 2003; Masurel et al., 2003; Levy and Powell, 2005; Vargas and Rangel, 2007; Singh et al. 2008</td>
</tr>
<tr>
<td>SMEs are unable to make decisions in ordered and linear fashion</td>
<td>Carson 1998; Beaver &amp; Prince 2004</td>
</tr>
<tr>
<td>SMEs have simple, flat structures, fewer departments, resulting in more flexible work environment</td>
<td>Borch &amp; Arthur, 1995</td>
</tr>
<tr>
<td>The quality culture of some SMEs is a key enabler in the development of innovation management</td>
<td>Singh et al., 2008</td>
</tr>
<tr>
<td>Information systems are simple and information is based mainly on informal, direct contacts of the owner</td>
<td>Verhees &amp; Meulenberg, 2004</td>
</tr>
<tr>
<td>Experiential knowledge through the development of their experiential learning or “learning by doing”</td>
<td>Storey, 1994; Murphy &amp; Young, 1995; Cartan-Quinn &amp; Carson, 2003; Carson &amp; Gilmore, 2000</td>
</tr>
<tr>
<td>Focus, niche strategies are the strategies that SMEs are executing</td>
<td>Carroll, 1984; Pelham &amp; Wilson, 1996; Pelham, 1999</td>
</tr>
<tr>
<td>Focus on selling, marketing equals selling</td>
<td>Hill &amp; Wright, 2000</td>
</tr>
<tr>
<td>The growth of SMEs is influenced by three main factors and their unique combinations: the nature of the firm; the background of the owner; the resources; the strategic decisions taken by the owner</td>
<td>Storey, 1994</td>
</tr>
<tr>
<td>SMEs are focused on recognizing and exploiting opportunities</td>
<td>Hills et al., 2008</td>
</tr>
<tr>
<td>The success of SMEs against larger competitors may be determined by their ability to utilise external networks efficiently</td>
<td>Innovation studies; Nooteboom, 1994; Dodgsonand Rothwell, 1994; and Regional studies Garofoli, 1992; Cossentino et al., 1996; Maskell &amp; Malmberg, 1999</td>
</tr>
<tr>
<td>The foundation of organizational competitiveness has shifted from physical and tangible resources to knowledge</td>
<td>Wong and Aspinwall, 2005</td>
</tr>
<tr>
<td>In general in tomorrow’s business world, success will be critically influenced by the degree to which firms utilize new knowledge to support innovation</td>
<td>Lei et al., 1999; Singh et al., 2008</td>
</tr>
<tr>
<td>Access to technologies that are cost-effective and flexible than in the past, improved access to tools and capabilities and better opportunities to scale business are factors that are shifting are competitive advantage towards SMEs.</td>
<td>The Economist Intelligence Unit 2013</td>
</tr>
<tr>
<td>Significant gaps remain in our understanding of the heterogeneity of growth outcomes among SMEs, specifically, why some SMEs achieve sustained growth and why others “… start small, live small, and die small”</td>
<td>Davidson et al., 2005</td>
</tr>
<tr>
<td>Much of the available literature on marketing planning is written for and about large business and is of little use to the small business owner/manager.</td>
<td>Brooksbank, 1996; Lancaster and Waddelow, 1998</td>
</tr>
<tr>
<td>Marketing Characteristics of SMEs</td>
<td>Authors &amp; Year</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Marketing is fundamental to the development and performance of all kinds and size of firms</td>
<td>Niaver &amp; Slater 1990; Day 1992; Jaworski &amp; Kohli 1993; Covello et al. 2000</td>
</tr>
<tr>
<td>Fundamentally different, often more successful marketing in SMEs</td>
<td>Carson et al., 1995</td>
</tr>
<tr>
<td>The structured procedures of formal marketing often confront with the inherent flexibility of SMEs</td>
<td>Murray &amp; O’Driscoll, 1996</td>
</tr>
<tr>
<td>Marketing planning is haphazard, informal, unstructured and simplistic and the decisions are operational based</td>
<td>Hill &amp; Wright, 2000</td>
</tr>
<tr>
<td>SMEs marketing is dictated by industry norms and their own stage of development</td>
<td>Carson &amp; Gilmore, 2000</td>
</tr>
<tr>
<td>SMEs implicitly embed marketing in their daily operations</td>
<td>Keskin, 2006; Harris &amp; Rae 2009</td>
</tr>
<tr>
<td>Everyone in the firm is a marketer</td>
<td>Gronroos 1990; Gummesson 1991; Harris &amp; Ogbonna 2003; Hills et al., 2008</td>
</tr>
<tr>
<td>A customer focus by everyone in the firm: Constantly thinking of how to improve customer value, as a result higher level of customer loyalty and satisfaction</td>
<td>Carson, 1985; Hultman, 1999; Carson, 1995; Lindman, 2004; Jones &amp; Rowley 2011</td>
</tr>
<tr>
<td>Marketing practiced by SMEs has a focus on networking and establishment of relationships by understanding and facilitating both personal and business relationships</td>
<td>Carson, 1995; Gilmore &amp; Carson, 1999; Covello et al. 2000; Stokes &amp; Lomax 2002; Carson et al. 2004</td>
</tr>
<tr>
<td>Superior understanding of customer needs, market trends, and market positioning</td>
<td>Hills et al., 2008</td>
</tr>
<tr>
<td>Much shorter line of communication between the firm and its customers</td>
<td>Zontanos &amp; Anderson, 2004</td>
</tr>
<tr>
<td>SMEs may use marketing as a path to create competitive advantage, based on differentiating their marketing program by leveraging their superior knowledge of customers, markets, and technologies</td>
<td>Hills et al., 2008</td>
</tr>
<tr>
<td>SMEs could implement more quickly market orientation since their greater responsibility rate to market changes, closer to market, knows better their customers and their wants and needs</td>
<td>Cartan-Quinn &amp; Carson, 2003; Verhees &amp; Meuleenberg 2004; Collinson &amp; Shaw 2005</td>
</tr>
<tr>
<td>SMEs advantages are mainly behavioral, such as entrepreneurial dynamism, internal flexibility, and responsiveness to changing circumstances, while those of large firms are primarily material, such as financial and technological resources</td>
<td>Verhees &amp; Meuleenberg, 2004; Hills et al., 2008</td>
</tr>
<tr>
<td>SME marketing competencies are continuously developed</td>
<td>Carson &amp; Cronic, 1989</td>
</tr>
<tr>
<td>Quickly adapt their strategy to the new set of opportunities, less constraints by budgets, structure, hierarchy and strict plans</td>
<td>Hills et al., 2008</td>
</tr>
<tr>
<td>Do not plan formally their marketing practices, and prioritise immediate concerns, intuitive doing rather than strategic planning</td>
<td>Cartan-Quinn &amp; Carson, 2003; Martin &amp; Staines, 1994; Matthews &amp; Scott, 1995; Beuver and Harris, 1995; Brown, 1995; Covello et al. 2000; Levy &amp; Powell, 2005; Bliem et al. 2009</td>
</tr>
<tr>
<td>SMEs can improve their responsiveness by developing capabilities in external knowledge acquisition and learning-by-doing</td>
<td>Liao et al., 2003; Singh et al., 2008</td>
</tr>
<tr>
<td>Networking facilitates the development of a firm’s credibility, expand the customer base and supplier contacts, enables access to resources and funding, encourage innovation, strategic partnerships and opportunities identification</td>
<td>Hitt et al. 2001; Zontanos &amp; Anderson, 2004; Harris &amp; Rae, 2009</td>
</tr>
<tr>
<td>Intangible resources among SMEs form the basis for competitive advantage (Miller and Shamiie, 1996), the tacit, intangible resources tend to be of greater managerial importance (Godfrey and Hill, 1995); Can compensate SMEs tangible resource disadvantage (Thorhill and Anis, 2003)</td>
<td>Anderson &amp; Eshima, 2013</td>
</tr>
<tr>
<td>Growth in the entrepreneur/ resource factor are: motivation, education, more than a single owner, and having business owner in middle age; Growth in the firm related factors are: smaller and younger firms grow quicker, so do limited companies; sectoral and locational differences as well</td>
<td>Storey, 1994</td>
</tr>
</tbody>
</table>
2.4.1 Internal Structure, Culture and Leadership

The advantageous and facilitative culture of SMEs that promotes participation, networking and experimentation is enabled by their small size and informal, and flat business structure (O’Dwyer et al., 2009). Moreover, overall organisational climate of loyalty and harmony of SMEs is inherently beneficial and also a key advantage of SMEs (Day, 1994; Carson et al., 1995 & Cartan-Quinn & Carson, 2003). This flourishing organisational climate of facilitative leadership, decentralised planning, and organic structure, called market orientation (MO), has received extensive academic attention to date (Jaworski & Kohli, 1993). Managers and employees are proud of being part of the company, and are rewarded for it. The market-oriented organisational culture depends upon the nature of company’s management and the capability to encourage and facilitate organisation-wide information dissemination (Becherer et al., 2001). The closeness of working relationships between employees and generally shorter lines of communication results in better information dissemination. Moreover, the ability to identify and focus on a specific market, due to networking and personal contacts with customers, and better internal information dissemination is acknowledged as a main advantage, and key differentiator between SMEs and larger companies (Olavarrieta & Friedmann, 2008; Raju et al., 2011). Other researchers acknowledge, however, that some SMEs use incompatible information systems that could delay the information assimilation (Levy & Powell, 1998). Similarly, the study of Merrilees, Rundle-Thiele, & Lye (2011) highlights the importance of marketing capabilities to SMEs performance, through the mediating role of market-sensing processes and market orientation. The complementary effects of innovation, marketing and learning capabilities in the SME context is pointed out as a key enabler of superior organisational performance (Sok, O’Cass, & Sok, 2013). However, Sok, O’Cass, & Sok (2013) highlight that there is a scarcity of research examining these capabilities.

Thus, SMEs that link operations to strategies through constantly accessing vital and inexpensive environmental information outweigh competitors (Carson et al., 1995; Singh et al., 2008; Aodheen O’Donnell, 2014). In contrast, larger companies are more dependent on commercial companies’ reports and consultancy, which are limited in terms of ability to provide “real time, first hand market information”.

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2.4.2 The Owner-Manager

The role of the owner-manager is crucial for the success of SMEs (Cartan-Quinn & Carson, 2003). Acknowledging the personal characteristics of owner-managers is particularly important in understanding SME business and management logic. SME owners demonstrate distinctive managerial styles, resulting from their unique mixture of personal and business goals, and often do not make decisions in an ordered and linear fashion (Carson, Cromie, McGowan, & Hill, 1995; Cartan-Quinn & Carson, 2003; Merrilees, Rundle-Thiele, & Lye, 2011). The owners are described as hard working, domineering, inspirational and adaptive, and charismatic, creative and opportunistic, highly motivated with high self-esteem (Carson, 1995; Cartan-Quinn & Carson, 2003). Storey (1994) adds to the owners’ description, qualities such as powerful personalities, often with family background in business. Furthermore, managers are described as not being good in organising and planning. Their unique business style conflicts with the traditional understanding of business management. When owner-managers recognize a way to use marketing to gain competitive advantage and create wealth and value, they adapt their tactics and strategy quickly to the new set of opportunities as they are less constrained than larger companies by bureaucracy, planned budgets, and hierarchical structure (Cartan-Quinn & Carson, 2003; Hills et al., 2008; Hulbert et al., 2015). Owners often know their customers personally and this closer interaction with customers results in higher customer satisfaction and innovation; in general companies with knowledge-based resources are more capable of extracting value from new opportunities (Cohen & Levinthal, 1990). SME owners collect market information from a variety of sources and in a variety of ways (Hulbert et al., 2015). The owner is actively involved in networking and intuitively mines the obtained market information (Carson et al, 1995; Burt 1992). Information is based on secondary sources or on direct, formal and informal, external contacts of the owner (Verhees & Meulenberg, 2004; Hulbert et al., 2015). As a result, the information obtained via informal relationships with customers and suppliers helps SME owners to identify opportunities, control uncertainty and exploit new opportunities by reducing risk (Keh et al., 2007).

2.4.2.1 The Impact of the Owner-Manager and their style on Culture

SME owners usually define and articulate the company’s vision (Slater & Narver, 1995). Their personality, beliefs, goals, priorities, abilities and overall business philosophy, often
become the company’s ones (Becherer et al., 2001; Storey & Greene, 2010; Cartan-Quinn & Carson, 2003; Hills et al., 2008). SME owners’ cognitive models of marketing do not even approximate those prescribed in the textbooks (Murray & O’Driscoll, 1996; Gilmore et al., 2001; Hills, Hultman, & Miles, 2008).

SME owner-managers’ ability to create a shared vision/mission to give purpose to their organisation and formulate objectives and strategies to guide, are claimed as crucial for SME success and survival (Sadler-Smith et al., 2003). However, SME owners are often self-driven and individualistic and therefore they might not be able to transfer their enthusiasm to the collective level and integrate their opportunity-seeking behaviour within the organisation (Mc Cartan-Quinn & Carson, 2003; Stringer, 2000; Wang & Chugh, 2014). Research shows that entrepreneurs and founders of SMEs are very often poor team players, and fail to transfer their drive and passion to employees. Therefore, the role of the owner manager is pivotal in the small organisation and their personality, skills, and ambitions are directly linked to the firm’s growth (Carson et al., 1995; Wiklund & Shepherd, 2003; Department for Business Innovation & Skills, 2013). Due to their visibility, power, and influence SME OMs play an important role in facilitating informal climate, trust and “open-minded” enquiry (Gnizy, Baker, & Grinstein, 2014). The dominant position of the owner is recognised as an important enabling or hampering factor for SME survival and growth, and in modeling organizational culture (Carson & Cromie, 1990).

2.4.3 SME Marketing Decision-Making

SME decision-making is another area that receives extensive academic attention. The process is also heavily influenced by the owner-manager culture and background and often all decision-making is concentrated in the owner’s hands (Carson et al., 1995). SME leaders are seen as key actors and knowledge facilitators, responsible for coordination of networking, and knowledge accumulation activities (Slater & Narver, 1995).

The SME owner-managers’ decisions are inherently informal, haphazard, creative, opportunistic and sometimes either reactive or proactive, the opposite of the traditional marketing decisions that tend to be formal, sequential, systems-oriented, disciplined and structured (Carson et al., 1995). The SME decision-making is decentralized, it is simple in structure and process, sometimes even sporadic and spasmodic (Jaworski & Kohli, 1993,
Carson et al., 1995). Their decision-making is non-bureaucratic, flexible and concentrated around opportunities identification (Carson et al. 1995).

SMEs inform their strategic marketing decisions by acquiring market information through different types of networks: personal, business, industry and marketing (Nakara et al., 2012). The greater the quality, quantity and diversity of information, the greater the possibility for better decision-making (Gelatkanycz & Hambrick, 1997). SME owners use networking for validating their decisions and learning (Uzzi, 1996, 1997) and ideas generation (Carson et al., 1995), problem solving, and for reduction of uncertainty and risk.

Thus, SME learning style is by nature ‘accidental’, experimental and largely depends on informal communication with customers and stakeholders (Murphy & Young, 1995). The latter phenomenon, also known as experiential learning or ‘learning by doing’ is acknowledged as the most significant core competency concept for SMEs (Carson & Gilmore, 2000; Cope, 2005; Hulbert et al., 2015). Through such informal learning, SMEs adjust strategies and take decisions (Deakins & Freel, 1998) and recognise opportunities (Ramos-Rodriguez, Medina-Garrido, Lorenzo-Gomez, & Ruiz-Navarro, 2011). The possession of knowledge-based resources is positively linked to performance in the SME context (Liao, Welsch, & Stoica, 2003; Wiklund & Shepherd, 2003; Singh et al., 2008).

2.4.4 The Role of Market Intelligence

Approximately since the 1960s, the Western economy has been in its third period of evolution: the information age (Doyle, 2008). The foundation of the economy shifted from natural resources to intellectual assets (Hansen et al., 1999, p.106). Consequently, as part of its evolution, the marketing discipline has also undergone a paradigmatic shift and accommodated elements from relationship marketing, and has thus moved its emphasize from the traditional linear and static planning process to adaptability, flexibility and responsiveness (Zontanos & Anderson, 2004) or more dynamic approaches in marketing (Atkinson, 2013; Whalen et al., 2016). Thus, shifts in the global economy, digital technology, industrial structures and customer expectations reshape markets, and are crucial signals to managers for the need to redefine strategy and capabilities toward the customer-centric perspective (Doyle, 2008). Vargo & Lusch (2004) name the phenomenon as a transition from “value in exchange” (manufacturing of physical goods) to “value in use” (processes of competencies development) or from material to intangible assets.
Nowadays, the challenge for all kind and size of businesses is to develop innovative and constantly evolving strategies in accordance with the increasing environmental and social pressures, by accounting for the needs and expectations of a wide range of stakeholders (Ayuso, Rodriguez, & Ricart, 2006). In such a turbulent environment, companies need even more extensive market information (Eisenhardt, 1989). The needed information is ‘real-time information’ rather than forecasted. As a result, coupled with the managerial intuition, this information is likely to result in better understanding of the environment and quicker reactions. Despite the fact that ideas are generally formed in individuals’ minds, interactions are critical success factors for those ideas’ development (Nonaka, 1994; Lubatkin, 2006). Hence, the interactive and deep, tacit learning is acquired through close contacts with various stakeholders (Kogut & Zander, 1996; Yli-Renko et al., 2001).

Moreover, information acquisition and utilization should not be a one-time event; rather it should be an on-going process through day-to-day interactions with customers, suppliers, and other business stakeholders, and its incorporation in marketing decisions (Nonaka, 1994; Keh et al., 2007). The importance of dynamic and on-going communication with customers and the enhancement of weak ties is vastly acknowledged across studies (Yli-Renko et al., 2001; Verhees & Meulenberg, 2004; Keh, Nguyen, & Ng, 2007). There is a wide academic recognition across disciplines that the competitive advantage of organisations is based on their capacity and ability to accumulate, harness and employ their unique knowledge and learn faster and more effectively than their competitors (Baker & Sinkula, 2009; Daud & Yusoff, 2010).

In such a respect, the importance of establishing a climate of commitment, non-hierarchical and self-organising structure, and emotional attachment between employees by clearly establishing organisational purpose is crucial (Nonaka, 1994; Doyle, 2008). Changes in perceptions and culture are also needed in order to facilitate collaboration and freedom between employees to explore new approaches to market information (Brown, Court, & Mcguire, 2014). Facilitating this informal learning, rather than using prescribed solutions or consultancy, is important (Deakins & Freel, 1998). The possession of ‘strategic planning flexibility’ and emergent strategies is claimed to be a crucial determinant in achieving superior organisational performance in such a dynamic economy (Alpkan et al., 2007).

This shift toward a customer-centric perspective favours SMEs’ natural business style, and logically, small businesses have demonstrated greater flexibility in the dynamic economic
environment, and 22% of SME employers in the UK employed more people than was the case 12 months earlier (Department for Business Innovation and Skills, 2015). SMEs have great possibility to enhance capabilities by maximizing their strengths in expanding their external business networks, but at the same time effectively managing their internal expertise and experience (Eze, 2013; Gilmore, Carson & Rocks, 2006; Yli-Renko, Autio, & Sapienza, 2001). As summarized in the Department for Business Innovation & Skills (2013) report, examining UK SMEs, SMEs do not follow a linear business development process; rather they are facing multiple “tipping points” throughout their lifecycle. As a result, the success at these tipping points depends on their internal capacity and capabilities, abilities to learn, the external environment and the owner/manager’s vision (Mc Cartan-Quinn & Carson, 2003; Wang & Chugh, 2014).

Hence, SME success reflects dynamic combinations between experiential learning through real time information, environment and strategy (Liao et al., 2003). Therefore, internal and external links between key actors, customers and employees are assets with key importance to SMEs that enable them to compensate for disadvantages and extend their resource base (Carson & Cromie, 1989; Muscio, 2007; O’Dwyer et al., 2009; Anderson & Eshima, 2013). This real-time market information is acknowledged as a strategic resource that penetrates across departments and organisations (Maguire et al., 2007; Michaelidou, Siamagka, & Christodoulides, 2011). As a consequence, the importance of actually building and deploying outside-in knowledge acquisition and internal assimilation capabilities to meet customer demands is crucial (Eisenhardt & Martin, 2000).

### 2.4.5 SME Limitations

Despite the discussed advantages, SME growth is often hampered by multiple resource constraints (Carson, 1990; Gilmore et al., 2001; O’Donnell et al., 2001; Verhees & Meulenberg, 2004). SMEs suffer from a lack of knowledge base, expertise and finance, path-dependant managerial style, mistake intolerance and rigid routines (Singh et al., 2008). These and many other resource constraints, such as inability to forecast future demand, limited strategic marketing practices and technological expertise, are linked by scholars to the poor quality of their management and their smallness and newness (Cartan-Quinn & Carson, 2003; Gray, 2005). SME family ownership, simple structure, and lack of strategic orientation limit their proactive behaviour and experimental nature (Borch & Madsen, 2007).
Due to their scarce resources, SMEs are forced to concentrate mainly on short-term goals and survival (Gray, 2005; Hills & Hultman, 2006). They rarely have career development paths and training for their managers and often employees leave SMEs to continue their careers in larger firms (Gray, 2005). SMEs suffer from lack of information and insufficient learning mechanisms, due to scarcity of resources (Hamburg, 2014). Therefore, an effective infrastructure for conducting collective market research is key for small firm competitiveness, as currently they largely depend on secondary data for customer market intelligence (Verhees & Meulenberg, 2004). Hence, SME owners are forced to take business decisions in even more imperfect business conditions than larger companies (Hills et al., 2008).

Thus, market intelligence accumulation through extensive networking and relationship building are seen as vital enablers of SME capabilities development, due to their overall resource scarcity and therefore inability to support internal research and development departments or sustain cost leadership (Pelham & Wilson, 1996; Kara, Spillan, & DeShields, 2005). For a summary of SME common constraints, documented in the academic literature, published between 1985 and the present, see Table 2.
<table>
<thead>
<tr>
<th>Identified Limitations of SMEs</th>
<th>Authors &amp; Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major problems: lack of expertise in product development, capability development, training,</td>
<td>Carson, 1985; Carson, 1995; Carson, Cromie, McGowan, &amp; Hill, 1995; Hogarth-</td>
</tr>
<tr>
<td>networking; lack of skills to employ technology; knowledge loss</td>
<td>Scott, 1996; Levy &amp; Powell, 1998; Verhees &amp; Meulenber, 2004; Singh et al., 2008;</td>
</tr>
<tr>
<td>Severe resource constraints: human, material, informational; financial</td>
<td>Cartan-Quinn &amp; Carson, 2003; Street &amp; Cameron, 2007; Wymer &amp; Regan, 2005;</td>
</tr>
<tr>
<td>Lack of economies of scale or cost reductions from R&amp;D</td>
<td>Quayle, 2004; Levy &amp; Powell, 2003; Barnes 2012; Harris 2009; Verhees &amp;</td>
</tr>
<tr>
<td>The quality of jobs is lower: very young or old employee with educational level below average</td>
<td>Meulenber, 2004; Hogarth-Scott, 1996; Carson, 1995</td>
</tr>
<tr>
<td>Limited advertising budgets and retail shelf space</td>
<td>Hills et al., 2008</td>
</tr>
<tr>
<td>Disregarded from banks, politics, publics</td>
<td>Beaver &amp; Prince 2004; Carson, 1985; Cartan-Quinn &amp; Carson, 2003; Storey, 1994</td>
</tr>
<tr>
<td>Limited geographic market presence</td>
<td>Carson, 1995; Pelham, 1999; Coviello et al. 2000; Grant, 2001</td>
</tr>
<tr>
<td>The owner is generalist not a specialist</td>
<td>Carson, 1995; Wilson, 1995; Cartan-Quinn &amp; Carson, 2003</td>
</tr>
<tr>
<td>Utilise few of the available marketing techniques</td>
<td>Stokes, 1995</td>
</tr>
<tr>
<td>Imperfect information, continuous uncertainty, decision-making under even more imperfect</td>
<td>Carson, 1995</td>
</tr>
<tr>
<td>Inability to forecast future demand that could lead to inability to react to changes in the</td>
<td>Cartan-Quinn &amp; Carson, 2003</td>
</tr>
<tr>
<td>Three dimensions of uncertainty: uncertainty of being a price-taker, limited customer and</td>
<td>Storey, 1994</td>
</tr>
<tr>
<td>SMEs often act as subcontractors of larger firms</td>
<td>Storey, 1994</td>
</tr>
<tr>
<td>Smaller firms appear to make less use of customer-based information to help evaluate their</td>
<td>Carson, 1995</td>
</tr>
<tr>
<td>Main problems are faced once the small firm starts to grow and then “the perceived science of</td>
<td>Mc Kiernan &amp; Morris, 1994; Cartan-Quinn &amp; Carson, 2003</td>
</tr>
<tr>
<td>Smaller firms have “failed to embrace the marketing concept.”</td>
<td>Peterson, 1989; Coviello et al., 2000; Carson, 1995</td>
</tr>
</tbody>
</table>
2.5 **Section One: Summary**

The first section of the literature review presented an extensive review of the SME business management literature, and particularly the literature elaborating on SME marketing practices. The advantages, resulting from SMEs’ heterogeneous business nature, inherent flexibility, experimental marketing practices, and facilitative internal climate, were outlined and discussed. The limitations hampering SME growth were also synthesized and discussed, together with the key role of the ability to embed the organisation in a net of informal relationships, and the increasing importance of real-time environmental market intelligence, as a vital enabler of marketing development. Despite the acknowledged importance of marketing for all kinds and sizes of businesses, currently a substantial gap exists in the understanding of SME diverse, and continuously evolving marketing practices. Therefore, we have established and discussed the importance of understanding the processes behind the ‘learning by doing’ approaches employed by SMEs to source market intelligence for the purposes of their marketing activities development.
2.6 Section Two: SMEs, Digital Technologies and Social Media

This section begins by introducing digital technologies as a main driver of market change, and examines their implications for businesses. Specific attention is paid to social media technologies and their marketing applications in the SME context. Extensive review of the current academic insight is outlined, and the main trends identified and discussed. A link is then established between SME social media practices as suppliers of market intelligence, and the consequent contribution to marketing activities development. Lastly, a summary of the identified problems in the literature and implications for current research are presented and justified, followed by a definition of the research aims and objectives.

2.6.1 Digital Technologies Business Applications

Digital technologies have revolutionized not only how people communicate but also how companies do business, and enabled a shift toward intangible assets by enabling a focus on customer satisfaction and co-creation of value (Aarikka-Stenroos & Jaakkola, 2012). The enhanced connectivity, facilitated through digital technologies, empowers greater customer orientation through increased flow of the available information (Harrigan, 2011). Hence, exhibiting an ability to monitor and understand the constantly changing business environment by establishing and maintaining relationships in the macro, micro and internal environment are crucial for identification of relevant information (Collinson & Shaw, 2001) and consequently achieving a competitive advantage (Hulbert et al., 2013).

With the emergence of Web 2.0 technologies, a further step along the way toward dialogue and co-creation had been made. Web 2.0 is defined by Constantinides & Fountain (2008, pp. 232-233) as: “… a collection of open-source, interactive and user controlled online applications expanding the experiences, knowledge and market power of the users as participants in business and social processes. Web 2.0 applications support the creation of informal users’ networks facilitating the flow of ideas and knowledge by allowing the efficient generation, dissemination, sharing and editing/refining of informational content”. Web 2.0 technologies are called by Boulos & Wheeler (2007) a “human approach to interactivity on the web”, that enable user-generated dialogue by “fostering a greater sense of community”, and the exchange of experience and ideas.

Web 2.0 enables cost reduction, competitiveness, audience extension, intelligence gathering (Harrigan, 2011). They enable SMEs with access to new resources, supply
improved market intelligence, and therefore opportunities to develop their communication practices at low cost, enhancing value by customer co-creation, and often create new relationships (Barnes et al., 2012; Miles et al., 2015). However, other researchers question SMEs’ ability to tap into the latter opportunities due to their lack of expertise and resources (Thrassou & Vrontis, 2008). Early research by Giuri et al. (2008) even points out that digital technologies may be detrimental to SMEs by diverting their attention from their markets and business performance to technology adoption.

2.6.2 Social Media Business Impact

Building on the foundation of Web 2.0 technologies, social media further enables communication and engagement between companies and their various audiences, and enhances trust among parties. Social media employs web and mobile-based technologies to support the creation and exchange of user-generated content (Schoder et al., 2013). Social media is defined as the social interaction among people in which they create, share or exchange information and ideas in virtual communities and networks (Ahlqvist et al., 2008). Additionally, social media takes many different forms, such as:

- Internet forums,
- weblogs,
- social blogs,
- micro blogging,
- wikis,
- podcasts,
- photographs or pictures, video, rating and
d- social bookmarking (Hamburg, 2012),

and enables consumers to share and store interactive content in multiple formats, such as:

- text,
- image,
- audio,
Thus, social media technologies connect people in a unique way by enabling knowledge sharing, relationship building and marketing evolution. Vargo & Lusch (2004, p. 6) claim that successful companies need to: “collaborat[e] with and lear[n] from customers […] being adaptive to their individual and dynamic needs”.

Social media use is becoming an alternative for face-to-face meetings by changing how knowledge is shared and stored (Kim, Lee, & Lee, 2011; Bharati et al., 2015). It enables connection, co-creation, collaboration, crowd sourcing, speeds up decision-making and implementation and supports organisations in achieving their business objectives, such as: customer service, customer insight to inform marketing development and sustain competitive advantage (Nguyen, Yu, Melewar, & Chen, 2015). Consequently, companies are increasingly using social media and incorporating it in their marketing activities, driven by their aim to create and sustain relationships with customers and stakeholders.

Moreover, companies could use social media both internally (with employees) and externally (with customers/consumers) to improve collaboration and communication efficiency (Andriole, 2010). As a result, companies could source new ideas and various external knowledge of interest. Customers are becoming increasingly informed and in-control, and even more suspicious about traditional marketing communication (Stokes & Nelson, 2013; Wirthman, 2013). Modern consumers expect not only customised products and services but also co-creation of value and control over the commercial process (Constantinides, 2010). Therefore, customers have become co-producers and the marketing shifted toward a process of interaction and co-creation of value (Penaloza, 2006). As Ferguson (2008) stated, “We are all marketers now – whether we realize it or not.”

2.6.3 SME Social Media Use

The emergence of social media technologies which are cost-effective, easy to use and flexible provides access to tools, capabilities and new markets, and shifts the competitive advantage towards SMEs (The Economist Intelligence Unit, 2013). Social media platforms are eminently suitable to the type of personal networking and relationship building approaches practiced by SMEs, and these enterprises are increasingly using social media but often as a supplemental promotional tool, rather than as part of a strategic plan (O’Dwyer, 2009) and without a clear understanding of how they could develop and utilize it (Bulearca & Bulearca, 2010; Durkin et al., 2013, 2014; Harris & Rae, 2009a; Harris et al., 2010; Panagiotopoulos et al., 2015). Moreover, social media is not expensive, it is easy
to implement, and interactive and does not require advanced technical knowledge in contrast to other collaboration technologies, such as customer relationship management applications that could be expensive and complex for SMEs (Chui, Miller, & Roberts, 2009; Zeiller & Schauer, 2011).

Additionally, Davis (1989) points out that some micro-businesses are actually early adopters of new technologies. Not surprisingly, SMEs are also pointed out as early adopters of social media (Harris et al., 2012; Barnes et al., 2012).

SME social media use has been researched in the context of:

- adoption of social media (Durkin et al., 2013; Meske & Stieglitz, 2013; Zeiller & Schauer, 2011; Wu, 2013),
- business operations (Seltsikas & Brown, 2006),
- internationalisation (Gnizy, Baker, et al., 2014; Moini & Tesar, 2005),
- innovation (Hamburg & Brien, 2014; Mount, 2014; Lam, Yeung, & Cheng, 2016),
- customer relationships and communication (Durkin et al., 2014; Trainor et al., 2014),
- branding (Kim et al., 2011; Laroche et al., 2013; Nguyen et al., 2014; Nguyen et al., 2015),
- engagement, and managing brand communities (Lipsman et al., 2012; McCarthy et al., 2014; Michaelidou et al., 2011),
- marketing (Berger & Thomas, 2014; Gilmore et al., 2007; Harris & Rae, 2009a; Li and Du, 2011; Rui et al., 2010; Trusov et al., 2009),
- SME learning (Bharati et al., 2014, 2015; Gnizy, Baker et al., 2014; Hamburg and Brien, 2014; Hamburg, 2014),
- knowledge management and sharing (Panahi et al., 2012; Razmerita and Kirchner, 2011; Wong and Aspinwall, 2005; Hamburg, 2012; Zhang et al., 2015),
- team collaboration (Cardon and Marshall, 2014; Zeiller and Schauer, 2011),
- marketing intelligence for CRM (Choudhury & Harrigan, 2014; Harrigan, Ramsey, & Ibbotson, 2009; Harrigan et al., 2011; Harrigan & Miles, 2014; Harrigan,
Ramsey, & Ibbotson, 2012; Sethna et al., 2013; Harrigan 2013b; Harrigan et al., 2015; Trainor et al., 2014a), and

- social media analytics for decision making (Bekmamedova & Shanks, 2014).

### 2.6.3.1 Review of Existing Research

An extensive literature review has been conducted in order to develop an in-depth understanding of the current academic insight into SME social media use (see Appendix A for details about the literature search strategy employed). Studies on SME social media practices are synthesized and discussed in the present section.

Research shows that social media adoption is usually initiated by the SME top management (Bharadwaj & Soni, 2007; Meske & Stieglitz, 2013; Zeiller & Schauer, 2011). Previous studies on SME use of social media also point out that through the use of social media apps, SMEs could reduce their resource shortages, as well as overcome the restrictions of their limited partners and geographic location by using them to link to previously disconnected groups in a cost-effective way (Adebanjo & Michaelides, 2010; Barnes et al., 2012). Inter-organisational networks, facilitated through social media technologies, are claimed also as key sources of market knowledge and engines that leverage organisational capabilities of SMEs, and empower better informed marketing decision making (Barnes et al., 2012; Stockdale et al., 2012; Zeiller & Schauer, 2011).

Synthesized findings of social media studies, their aims, methodologies, and research samples is presented in Appendix B, Table 22. A discussion of the most relevant studies follows.

Studies have demonstrated various benefits for SME marketing, such as fostering user engagement, participation, dialogue, engaging with their core customers and building communities, knowledge reuse and collective innovation and personalization (Barnes et al., 2012; Harrigan et al., 2012; Kaplan & Haenlein, 2010). The implications of social media are synthesized in Table 3.
### Table 3 SME Social Media Use and Its Implications

<table>
<thead>
<tr>
<th>Implications of SME Social Media Use</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved communication, networking, engagement</td>
<td>Bharadwaj &amp; Soni (2007); Meske &amp; Stieglitz (2013); Zeiller &amp; Schauer (2011); Mannonen and Runonen, (2008); Curran, Jarvis, Blackburn, &amp; Black (1993); Miller et al. (2007); Adebanjo &amp; Michaelides (2010); Barnes et al. (2012); Kaplan and Haenlein (2010); Majchrzak et al. (2013); Skågeby, 2010); Kadam &amp; Ayarekar (2014)</td>
</tr>
<tr>
<td>Reduce SME resource shortage</td>
<td>Adebanjo &amp; Michaelides (2010), Barnes et al. (2012)</td>
</tr>
<tr>
<td>Improved brand awareness, personalised product, services &amp; Improved Marketing</td>
<td>Harrigan et al. (2012) (Harrigan et al., 2012) (Harrigan &amp; Miles, 2014); Harrigan, 2015; Harrigan (2012); Harrigan &amp; Miles (2014); Choudhury &amp; Harrigan (2014)</td>
</tr>
<tr>
<td>Improved CRM</td>
<td>Harrigan et al. (2012); Trainor, 2014, Harrigan 2015; Trainor (2012); Harrigan &amp; Miles (2014); Choudhury &amp; Harrigan (2014)</td>
</tr>
<tr>
<td>Better understanding of customers and markets through information collection</td>
<td>Nakara et al. (2012); Harrigan et al. (2012); Panahi et al., (2012); Woodcock, Green, &amp; Starkey (2011); Hamburg and Brien (2014)</td>
</tr>
<tr>
<td>Enhanced trust</td>
<td>Panahi et al. (2012); Kadam &amp; Ayarekar (2014); Walters (2008)</td>
</tr>
<tr>
<td>Collective innovation</td>
<td>Kaplan and Haenlein (2010); Majchrzak et al. (2013); Skågeby, (2010); Woodcock, Green, &amp; Starkey (2011); Ooms, Bell and Kok (2015)</td>
</tr>
<tr>
<td>Efficiency and Effectiveness in business operations</td>
<td>Zeiller &amp; Schauer (2011); Barnes et al. (2012)</td>
</tr>
<tr>
<td>Resolve grievances and improve customer satisfaction</td>
<td>Kadam &amp; Ayarekar (2014)</td>
</tr>
<tr>
<td>Hiring Employees</td>
<td>Kadam &amp; Ayarekar (2014)</td>
</tr>
<tr>
<td>Collaborative learning</td>
<td>(Attwell, 2007; Dittrich, Duysters, &amp; de Mand, 2007; Nakki &amp; Antikainen, 2008); (Walters, 2008)</td>
</tr>
<tr>
<td>Knowledge management &amp; storage</td>
<td>Bharati et al. (2015); Walters (2008); Panahi et al. (2012); Durst, (2012); Wong and Aspinwall, 2005; Hamburg, 2012, 2014</td>
</tr>
</tbody>
</table>

The value of social media use is further illustrated by Buchanan (2002) who demonstrates that the most useful network member in helping an entrepreneur is rarely a close friend – or even a friend – but more likely is an acquaintance of a friend, or a friend of an acquaintance. Thus, the weak ties of social media facilitate flexibility and openness of the communication (Harris et al., 2012) and connect SMEs with previously inaccessible
audiences, by removing the barriers of their physical location, and thus brings multidimensional implications for SMEs (Dutot, 2013).

A recent research by Felix, Rauschnabel, & Hinsch (2016) suggests that in order to harness the value of social media organisations need to establish four general social media marketing dimensions that firms should address when managing their strategic social media marketing approach, which are culture, scope of social media use, structure and governance.

### 2.6.3.1.1 Social Media as a Source of Knowledge and Learning

Particularly in the context of organisational learning, both academics and practitioners acknowledge that social media has the potential to enhance organisational knowledge-sharing capabilities (Dyer, 1997; McKinsey, 2010; Razmerita & Kirchner, 2011; Panahi et al., 2012). The transferred knowledge is tacit and could empower companies’ decision-making, learning, and thus competitiveness and value creation (Hitt, Ireland, Camp, & Sexton, 2001; Spender, 1996; Dutot & Bergeron, 2016). Social media enables interaction, relationships and mutual trust by giving companies opportunities to observe, listen and share (Panahi et al., 2012).

Furthermore, Siemens (2005), citing the American Society of Training and Documentation (ASTD), highlights that the amount of knowledge in the world has doubled in the last ten years. The author stresses that nowadays technologies are changing people’s brains by delivering other people’s experiences and thus technologies are “…becom[ing] the surrogate for knowledge”. The effectiveness of organisations in the digital era depends on the information flow both internally and externally. The collaboration with others is seen as the foundation of learning and social media tools offer great potential for interactive and collaborative learning (Bharati et al., 2015).

The benefits and implications of Web 2.0 as a learning medium for SMEs are studied extensively by Hamburg & Hall (2009), Hamburg (2012) and Hamburg (2014). The latter authors recommend that SMEs use social media for informal learning throughout their business process, for performance support, collaboration and knowledge sharing and thus increase learning and sharing of best practices. The e-learning through Web 2.0 is particularly suitable to SMEs as usually SMEs are not able to take time off to go to physical training and need context-specific and timely training, not generic ones (Deakins & Freel, 1998; Perren, 1999) due to their experiential nature. Social media allows SMEs to
access real time information as is needed, collaborate with external experts and widen their skills base (Hamburg & Brien, 2014).

Social media has been acknowledged as a powerful facilitator of organisational knowledge management efforts, through creating channels for development and exchange of knowledge (Zhang et al., 2015). Moreover, through these interactions, trust in common value and deep understanding are fostered, as well as opportunities to find resources outside the company’s boundaries and match clients’ needs (Bharati et al., 2015). Therefore, the knowledge accumulated through the use of social media could be a strategic resource (Bharati et al., 2015; Zhang et al., 2015) and the organisational ability of market-sensing and customer-linking could be critical influencers of firm performance (Trainor et al., 2014a; Rapp, Trainor, & Agnihotri, 2010).

2.6.3.1.1.1 Customer Reviews and Negative Comments
On the other hand, social media also encourages the sharing of negative feedback on products, which influence potential customers (Lipsman et al., 2012). It is believed however, that negative comments, if handled well, could potentially result in transformations of marketing plans, products and processes and thus better service, products and customer experience, and brand advocates development, which is confirmed by the research of Kadam and Ayarekar (2014). Recent study of Baptista, Wilson, Galliers, & Bynghall (2016) conceptualises this organizational capability as ‘reflexiveness’ a crucial capability for open business strategy. However, other research shows that some SMEs find themselves unable to manage and respond satisfactory to damaging feedback due to their numerous resource constraints and time restrictions (Durkin et al., 2014). Therefore, further research is needed in the area to develop a deeper understanding.

2.6.3.1.2 Social Media as a Supplier of Market Intelligence for Marketing Development
Recently, increasingly studies have been conducted that investigate the role of market intelligence supplied by social media in the development of organisational CRM as part of marketing.

The potential of social media to enhance organisational performance through supplying information that needs to be integrated with the existing CRM systems is acknowledged by Trainor (2012) and Trainor et al. (2014a). The authors develop a model to illustrate the discussed integration of customer-centric social media technologies with traditional CRM technologies, and their mutual contribution to organisational performance.
The notion that CRM and social media technologies are mutually beneficial is further supported by Choudhury & Harrigan (2014), Harrigan & Miles (2014), Harrigan (2013b) and Harrigan et al. (2015). However, the latter authors also highlight that marketing and customer orientation are highly important for the integration of these technologies. The importance of culture to facilitate transparency, and organisational customer-oriented philosophy, is highlighted as an important prerequisite for CRM technology adoption (Kohli & Jaworski, 1990; Narver & Slater, 1990).

Further reinforcement of the notion of the connection between social media use and better marketing decision-making through the mediating role of the customer information gathered is provided by Choudhury & Harrigan (2014) and Harrigan et al. (2015). The research findings indicate that 77% of the organisations use their own websites for CRM but a significant proportion of the researched companies also integrate social media tools such as LinkedIn (64.8%), Twitter (55.3%), Blogs (49.5%) and Facebook (44%).

Other recent studies highlight proactive organisational culture as a critical enabler of effective market-based learning for foreign launches (Gnizy, Baker, et al., 2014; Choudhury & Harrigan, 2014). The authors claim that the trust and understanding that are essential for tacit knowledge sharing are well supported by the fact that in social media communities people share similar interests, language and background. Social media platforms (discussion groups, blogs and collaboration software) are discussed as very useful for learning and thus development of collaborative culture and mutual trust (Choudhury & Harrigan, 2014; Gnizy, Baker et al., 2014; Walters, 2008). The ability of SMEs to use external informal knowledge to accumulate new ideas for problem-solving and innovation that contribute to a firm’s success and competitive advantage has also been studied by Sawyer et al. (2014). The study highlights that a key factor in the drive for innovation-led productivity growth is the ability of businesses and their employees to use external knowledge (Sawyer et al., 2014).

From a big data and social media analytics’ point of view, Bekmamedova & Shanks (2014) also point out that in order to fully embrace social media data and obtain a value from it, technical skills are not enough and there is a need for a development of a unique ability to interpret the insight and initiate actions accordingly. Other research shows that the social media insight could be particularly useful to organisations to develop their content marketing (Pentina & Tarafdar, 2014). However, in order to understand what are the
processes that link the intelligence gathered and the marketing practice changes, a qualitative research is needed (Harrigan & Miles, 2014).

2.6.3.1.3 Social Media for Knowledge Storage

Moreover, organisational experience and knowledge could be stored through social media tools such as wikis and weblogs (Walters, 2008). Wikis, for instance, could be used as internal platforms, facilitating internal sharing, and collaboration on project and knowledge management. However, the authors add that the academic research in the area is based mainly on larger companies, and little is known about SME social media practices (Walters, 2008).

In addition, traditional knowledge management systems are not as interactive and efficient as social media that enable faster and interactive ways of knowledge sharing and retention (Panahi et al., 2012).

The processes of knowledge-sharing, transfer, learning and knowledge storage are mainly researched in larger companies despite the vastly acknowledged importance to SMEs, and the recognition that SMEs have different practices and therefore different needs (Edvardsson, 2009). One of the main differences is that SMEs are highly heterogeneous and there is no unified approach to knowledge management, moreover their knowledge management structures are developed on an operational level (Durst, 2012). On the other hand, SMEs are claimed to face challenges particularly in the knowledge codification and retention stage as their knowledge is stored mainly in employees’ and owner’s heads (Wong & Aspinwall, 2004). Thus, there is a substantial knowledge loss in cases of retirement or departure of employees due to the lack of knowledge storage systems (Wong & Aspinwall, 2004; Maguire et al., 2007). The latter is acknowledged as a huge drawback as SMEs need to share effective knowledge-base as a way of enabling organisational adaptation by transforming knowledge into actionable marketing strategy and to codify it (Maguire et al., 2007; Eze, 2013).

2.6.4 SME Social Media Performance Measurement – Challenges

Both practitioners and academic researchers agree that social media ROI remain uncertain for SMEs as well as for larger companies (Angel & Sexsmith, 201; Divol et al., 2012; Stockdale et al., 2012).

Due to the mixture of qualitative and quantitative data generated, social media could not be measured through traditional conversion metrics nor through metrics such as comments,
shares, likes (Angel & Sexsmith, 2011; McCann & Barlow, 2015; Stockdale et al., 2012). Current research points out that social media data pose problems for managers in terms of quantifying and analysing it, due to its diversity of formats and the qualitative nature of the data (likes, retweets, follows, shares, videos, pictures, comments, reviews, or posts) (Angel & Sexsmith, 2011; Harrigan, 2013a; McCann & Barlow, 2015; Stockdale et al., 2012). The biggest challenge that SMEs face is that social media data is real-time, qualitative and as a result very difficult to monitor, collect, filter, and turn into something that could be a particular issue for SMEs (Harrigan, 2013).

Although, there is no academic agreement or unified approach to measure organisational social media performance, academics agree that clearly defined goals, objectives and metrics have to be agreed in advance (Hoffman & Fodor, 2010; Murdough, 2009).

Particularly in the SME context, a recent study points out that SMEs find social media as a beneficial tool to their business, but are not fully aware of the extent of the benefit (McCann & Barlow, 2015). SMEs do not have a real understanding of worth of these activities to the business as highlighted also by earlier research (Barnes et al., 2012; Harrigan et al., 2011; Harris, Rae, & Misner, 2012) or a clear idea of how to measure effectiveness (Michaelidou, Siamagka, & Christodoulides, 2011).

Hoffman and Fodor (2010) advise companies to pay attention to four key motivations (connections, creation, consumption and control). Murdough (2009) develops a social media measurement life-cycle model which highlights the importance of goals, objectives and metrics set up in advance and before deciding which platforms to use.

Research shows that usually SMEs don’t have a dedicated social media strategy, and do not have an understanding of how to monitor their social media use, which limits them in adopting and using social media due to lack of adequate measurement (Berger & Thomas, 2014).

From a learning and engagement perspective, building on previous research of Kumar et al., (2010) and on Harrigan (2013), Choudhury & Harrigan (2014) argue that the market intelligence from social media data should be integrated with CRM software data and thus better 360 degree understanding of customer value will be developed, leading to better marketing decisions and actions.

There is also an increasing body of knowledge recognising the experimental nature of the social media usage, and therefore highlighting the use of social media as an experimental
process, that requires open mindedness and an ongoing dynamic and flexible measurement of the quantitative and the qualitative aspects of social media (Erevelles, Fukawa, & Swayne, 2016; Nair, 2011). The researcher also believes that social media measurement must move beyond past traditional, retrospective conversion metrics.

2.6.5 SMEs and Social Media Market Intelligence – The Research GAP

Although, SMEs are sourcing external expertise from social networking websites, thus enhancing their capabilities and understanding of their markets in a unique, flexible and low cost way (Barnes et al., 2012; Kadam & Ayarekar, 2014; Kiron et al., 2013), the area is under-researched.

Research indicates that SMEs are not realising their enhanced capabilities resulting from social media use (Barnes et al., 2012; Harris, Rae, & Misner, 2012; McCann & Barlow, 2015). It is believed that the actual benefits of developing capability, for example differentiating service or product, actually needs more time to be realized, and this could be one of the explanations of the above research results. The implications of the information generated to enhance organisational capability and performance remains unexploited (Paniagua & Sapena, 2014) and the exact processes linking social media use and market intelligence accumulation to marketing planning and development remain unknown.

Previous research in organisational social media use mainly focuses on users’ behaviour and very little is known particularly in relation to the impact of social media in marketing (Hodis et al., 2015). It is crucial to understand if managers are able to integrate such insight in their marketing decision-making (Chen, Chiang, & Storey, 2012; Erevelles et al., 2016).

Other research indicates, however, that SMEs do not perceive social media as impacting their businesses, mostly due to the fact that they are not able to evaluate its potential (Blinn et al., 2009). However, one major drawback of the latter research results is the article’s publication date, and the fact that since then social media technologies are undergoing constant evolution, described as “perpetual beta” (Hu & Schlagwein, 2013). The latter may explain why, surprisingly, social media use has neither been sufficiently linked to theories of competitive advantage, nor have the benefits and impact of its use been fully realized, nor extensively researched. Other research indicates the lack of connection between social media and marketing decision-making or co-creation (Harrigan 2013). The key problem with this explanation could be the quantitative nature of this particular study, which limits...
the depth of the gathered insight, and the understanding of the individual practices of the studied companies.

Social media technologies have been pointed out as knowledge enablers and the incoming marketing intelligence as a strategic asset (Harrigan et al., 2015), but their true value is not apparent and currently under-researched and insufficiently understood (Durkin et al., 2013). Durkin et al. (2013) developed a theoretical model and point out as a particular challenge understanding the management processes taking place, resources required and benefits delivered through the use of social media. The authors classify the incoming information from social media as an asset, and a strategic opportunity for SMEs to develop a resource bound social media strategy that differentiates them from competitors but, however, highlights the need for better understanding of the processes that are taking place Durkin et al. (2013). Meske & Stieglitz (2013) also confirm that SMEs should embrace social media technologies to maximize their processes by re-designing them.

The exact processes of SME social media use in the context of their marketing practices development remain an under-researched and little-understood area. Researchers are reporting difficulties in connecting social media use to particular organisational learning processes and organisational/marketing value and existing theory of competitive advantage (Harrigan et al, 2015; Durkin et al., 2013; Meske & Stieglitz, 2013). The organisational learning and marketing benefits of social media remain still to be realised and researched (Nakara et al., 2012). There is a need for a theoretical model to link SME diverse social media practices to existing theory of firm performance and competitive advantage. This model needs to account for SME unique context as well as provide structure for an in-depth understanding development of the internal processes taking place in SMEs as a result of the accumulated market intelligence.

Therefore, the aim of the present research is to address the identified gap in the available literature by producing an integrated model to guide understanding of the diverse and highly context-dependent processes of SME social media use, market intelligence accumulation and use, and the follow-on marketing practices implications. The model will allow us to understand the idiosyncratic learning and marketing development processes taking place in a diverse selection of SMEs and to structure the research.
2.7 Section Two Summary

Although still a vastly under-researched area, social media is of particular interest to both practitioners and academics. Despite the fact that SMEs are early adopters of social media, very few studies on social media as a supplier of such valuable knowledge for marketing evolution have been found. Currently, social media use has not been sufficiently connected to theories of firm performance and competitive advantage, leaving a substantial gap in the understanding of its implication for marketing practices. The main problems, identified through extensive literature review, are synthesized in the next section and the research aims and objectives outlined.
2.8 Section Three: Literature Synthesis, Research Aims and Objectives

Although both academics and practitioners agree that social media has the potential to enhance organisational knowledge-sharing capabilities (Bughin et al., 2010; Razmerita and Kirchner, 2011) and enhance in particular tacit knowledge accumulation and transfer (Panahi et al., 2012), few studies have been found to date to provide an insight into the exact learning processes, enabled by social media use in the context of SMEs.

Additionally, literature shows that there is a need for new alternative sources of knowledge-gathering and sharing (Dyer & Singh, 1998; Liao et al., 2003; Verhees & Meulenberg, 2004; Muscio, 2007; Wang, 2008). Further academic attention and a theoretical model is needed to bridge this gap in the current understanding and guide a study of how SMEs are recognising new forms of knowledge enabled by the social media technologies. Previous research calls for a framework development to guide the understanding of the process of knowledge accumulation and integration, and that supports organisational strategy formulation and implementation (Zhang, 2006; Borch & Madsen, 2007).

Crucially important is to understand how SMEs link the intangible assets (market intelligence, knowledge, skills, relationships) to their core competences, and how the latter affects the process of marketing strategy and value creation through iterations in existing operations (Vargo & Lusch, 2004; Penaloza, 2006).

As summarized by Borch & Madsen (2007, p.111): “Thus, we are in need of theories guiding the repositioning of existing capacities and capabilities and the acquisition of new adequate and strategic valuable resources at lowest possible costs.”

Social media could be a source of valuable knowledge, which allows SMEs to adapt their marketing practices in order to respond to unexpected changes in the marketplace, solve unexpected problems and tap on unexpected opportunities. As a result, the benefits of SME social media use could span beyond customer engagement, traffic to website or advertising, and have implications for companies’ marketing practices and implementation capabilities.

The bulk of the research on SME social media centres on an ‘inside-out’ perspective, ignoring the potential contribution of market intelligence gathered through the use of social media to SME learning and marketing development. Currently, the research focus is on
how organisations interact with customers (Aral et al., 2013), leaving the internal implications of social media for team communication and marketing decision making underexplored (Huang et al., 2015).

There is a need for further evidence linking social media use with marketing, organisational performance, and theories of competitive advantage, and there are numerous calls for further research in the area (Durkin et al., 2013; Harrigan & Miles, 2014; Harrigan et al., 2012; Harris et al., 2012; Hlady-Rispal & Jouison-Laffitte, 2014; Hodis et al., 2015; Lam, Yeung, & Cheng, 2016; Nakara et al., 2012; Paniagua & Sapena, 2014). Therefore, there is a need for a model to guide understanding in this under-researched area, and identification of specific processes and behaviour that allow resources and market intelligence manipulation into value creating marketing practices.

Hence, due to SMEs’ heterogeneity and diversity, and their dynamic social media practices, it is proposed that a robust theoretical grounding of the research is needed in order to uncover the direct and indirect consequences of their social media practices in the context of their marketing activities.

The aim of the present research is to develop a theoretical model to guide and structure the understanding of the diverse and unstructured SME marketing and social media practices and to apply this model as a lens to study in-depth the processes of social media market intelligence accumulation and use, employed by a diverse selection of SMEs, and to uncover the direct and indirect consequences for SME marketing. The present research aims to bridge the gap in the understanding of the link between social media use, market intelligence gathering, and marketing practices evolution, as well as the organisational conditions that SMEs face to enable/challenge development of these learning processes.
3 Chapter Three: Theoretical Framework

3.1 Introduction

This chapter introduces and discusses the theoretical underpinning of the research. The possible theoretical concepts to guide the understanding of the studied processes are outlined and evaluated, and then an argumentation of the choice of a specific concept is presented. In order to identify the market intelligence gathering processes taking place in organisations, the dynamic capabilities (DCs) perspective is adopted. The concept is presented and discussed, and its main building blocks synthesized. The chapter concludes with a definition of the research aim and objectives, seen, structured and presented through the lens of the DCs concept. Lastly, a model of the research aim, objectives and a research diagram are presented and discussed, and the application of the theoretical model in the present research is discussed.

3.2 Theoretical Framework Introduction

In order to strengthen the argument and provide a robust explanation of the studied process, it has been decided that a theoretical model will be developed and applied to frame the study. The theoretical model will help to build a robust explanation and effectively develop a theory of the studied process (Bonomo, 1985). Furthermore, construction of a theoretical framework/model is recommended by Yin (2009) to provide guidelines for developing appropriate research design, data collection, and for deciding what strategy to apply when analysing the gathered data. It is also considered that the development of a theoretical grounding of the research is essential due to the fact that the direct and indirect consequences of the market intelligence gathered through the social media use for organisational marketing activities could not be easily realized, identified and understood. Moreover, in the diverse and experimental SME marketing context, these processes will vary and may need a long time to actually occur. Lastly, the theoretical model will help structure the research, and to enhance the theoretical generalisation of the results of the study.

The present research aims at understanding a dynamic processes, and therefore “is concerned with understanding how things evolve over time and why they evolve in this way” (Langley, 1999, p. 692). Process studies aim at deep understanding of dynamic
events and theory development about how events change, adapt and evolve (Van de Ven, 2007).

At the heart of the investigation is SME social media use for market intelligence accumulation and its application in SME online and offline marketing activities. Hence, in order to develop an in-depth understanding of experimental SME social media use grounded in tacit knowledge, but at the same time account for the unique internal and external market environment, a search for theory that accounts and matches all of the above factors, has been performed and is presented in the next section.

Ideally, the chosen theory should be flexible enough to account for the non-linear nature of the market intelligence gathering, assimilation and application processes employed by SMEs, the various resources dedicated or leveraged, the diverse internal context, and the dynamic market environment. Additionally, the theory should be able to explain differences in organisational responsiveness to environmental changes, and flexible enough to account for and accommodate unexpected findings, in case they occur during the research.

### 3.3 Possible Theoretical Routes

#### 3.3.1 Marketing Planning

Traditional marketing planning theory which follows the methods prescribed in textbooks emphasize linear and static planning process and provides a strong framework for planning and managing the marketing mix (Carson, 1993). However, there are many dissimilarities between SME marketing and formal marketing planning (Carson, 1990; Carson & Gilmore, 2000). SME marketing is inherently informal, haphazard, opportunistic, creative and either reactive or proactive, whereas marketing planning tends to be formal, sequential, disciplined and structured (Carson, 1993). In contrast to the traditional marketing planning theory and larger firms hierarchical and bureaucratic structure, SMEs are unconventional and sporadic in their marketing management (Gilmore et al., 2013).

Due to the limited understanding of the phenomenon, the uniqueness and diversity of the SME social media practices and the constantly changing economic environment, the understanding and explanation of the complex phenomenon using traditional marketing planning theory is restricted. Large firm models applied to SMEs have been largely
criticized, and small firm researchers are strongly encouraged to produce studies that are sensitive to the unique characteristics of small firms (Gilmore, Carson, & Grant, 2001).

Although researchers have been studying SMEs and how they are different from large businesses, there is no universal approach to defining and researching SMEs (Gilmore, McAuley, Gallagher, Massiera, & Gamble, 2013). SME marketing in practice is thought to be largely done through networking, relationship and interaction (Gilmore et al., 2001). To explain the ad hoc and experimental processes taking place in the diverse SME context, in relation to the use of ever changing social media technologies, a theory that focuses on change through real-time learning is needed. Therefore, the classical marketing planning theory is considered unsuitable to frame the study, due to its structured top-down approach, that confronts the inherently experimental and diverse processes taking place in SMEs. Currently, no unified definition of SME marketing exists in the literature and those already available often link marketing with entrepreneurial behaviour and decision-making (Carson et al., 1995; Reynolds, 2002).

### 3.3.2 Entrepreneurial Concept

Therefore, the entrepreneurial concept is another possible route that could be undertaken to lead the research and explain the studied processes. The entrepreneurial concept emerges as an alternative to the traditional marketing concept, and aims at explaining the phenomenon of the high-performing firm by putting the emphasis on the owner’s personality. Schumpeter (1934) defines entrepreneurs as individuals who drive markets and create imbalances by introducing innovations and without fear of risk. The SME owner personality is crucial for development of the SME facilitative and flourishing climate and for proactively leveraging risk-taking innovations to gain competitive advantage (Miles et. all, 2015). Small firm management to a large extent is a function of the owner and his/her attitude to and expertise in marketing (Miles et. all, 2015). As acknowledged in section 2.4.1-2.4.3, individual entrepreneur’s knowledge, alertness and intuition are crucial for recognition of marketing opportunities (Miles et al., 2015).

However, recognising the personal characteristics of the owner-managers and their influence on the processes of interest, is only part of the current research. This research puts the focus on the processes of gathering and applying new information accumulated through social media use in marketing. Although SME formal and informal networks participation and relationship building are claimed as the most significant concept for
SMEs (Brown & Lockett, 2004), the entrepreneurial concept concentrates primarily on the individual, rather than on the collective, and thus is ignoring the SMEs’ multiple networks participation as a source of market intelligence, knowledge and development.

The entrepreneurial concept is extensively criticized by the academic community because of this narrow and static focus (Shaver, 1995; Deakins & Freel, 1998; Cope, 2005). Moreover, the concept of entrepreneurship lacks a conceptual framework to predict and explain empirical phenomena (Shane & Venkataraman, 2000). Therefore, it is criticized, and its contribution is questioned by academics, as it does not contribute to knowledge, beyond that already explained by other academic concepts.

Recently, the entrepreneurship theory conceptually developed to include the processes of opportunity identification, risk taking, owner’s proactivity in enabling customer value creation (Miles et al., 2015; Sok, O’Cass, & Sok, 2013), but it still does not provide a framework to follow regarding the ad hoc processes of intuitive learning, underpinning SME diverse marketing practices. As a consequence of the discussed ambiguity surrounding the entrepreneurial concept, the field encompasses a broad mixture of research. Therefore, the search for a concept continues.

### 3.3.3 Equity Theory

The equity theory is another possible theory that could be adopted to frame the present study. The concept of equity is based on the interpretations of relational interactions and judgment for fairness in relationships in terms of perceptions of balance between inputs and outputs (Adams, 1965). However, the present project aims at uncovering the complex processes of market intelligence gathering, sense-making and use, and its implications in terms of changes in the marketing activities, and not only the participants’ motivation for relationships, perceptions of equity, and compensation systems. Therefore, the equity theory is considered unsuitable to explain the complex processes under investigation and it is also ruled out.

### 3.3.4 Institutional Theory

More recent studies adopt institutional theory to study how small firms adopt and use social media (Bharati et al., 2014). Institutional theorists are particularly interested in how organisational structures and processes become institutionalized over time by focusing on cognitive and cultural explanation of how employees share norms and behaviour, and as a result shape their decisions about a particular phenomenon (Meyer & Rowan, 1977). As a
consequence, employees tend to institutionalise their organisational activities to become accepted and resistant to change, because of a habit and thus become bounded in their habits and routines (Oliver, 1992). The theory emerges as an alternative of the classical “rational actor” models of traditional economics (DiMaggio & Powell, 1991). The theory is suitable to understand the diverse institutional context, contributing or hampering the social media use, and the market intelligence accumulation but as the research aim spans uncovering the unique processes behind market intelligence accumulation, and their impact on marketing evolution, the search for concepts continues.

### 3.3.5 Social Capital Theory

Another theory, recently applied to understand the impact of social media on organisational knowledge management and knowledge quality is the social capital theory (Bharati et al., 2015). The theory accounts for the relationships between organisations and the meanings of these relationships, through the three dimensions of social capital: structural, relational and cognitive (Nahapiet & Ghoshal, 1998). The structural dimension of social capital captures the interactions between organisations; the relational dimension refers to relationship assets such as trust; and the cognitive dimension describes the extent to which organisations share a common understanding, emerging from the latter interactions. The concept has been recently applied in studies of how social media contribute to knowledge management by creating channels of communications that promote exchange, creation and recombination of knowledge among individuals, business groups and business partners (Bharati et al., 2015). In general, social capital theory explores the benefits and costs derived from social ties and relationships. Although, the concept accounts for the uniqueness of the interactions taking place between organisations on the three dimensions, it does not provide an understanding or framework to account for the various resources dedicated or leveraged at each of the knowledge creation, assimilation and transformation processes, and how, in combination with the latter information gathering processes, they lead to improved marketing performance.

### 3.3.6 Organisational Learning-Centered Theories

The knowledge-based resources (Singh et al., 2008; Wiklund & Shepherd, 2003), the processes of market intelligence accumulation through social media use (Choudhury & Harrigan, 2014; Durkin et al., 2013), and the follow-on marketing transformation process have been established as the central aim of the present research. Therefore, a review of the
concepts explaining organisational learning processes has been performed. The role of knowledge as an enabler of organisational capabilities is central to a number of management concepts, such as:

- **Knowledge Management** (Nonaka, 1991, 1994; Nonaka & Takeuchi, 1995; Wong & Aspinwall, 2004; Durst, 2012; Eze, 2013);
- **Organisational Learning** (Cohen & Levinthal, 1990; Senge, 1990; Pawlowsky, 2001);
- **Resource-based View** (Penrose, 1959; Wernerfelt, 1984; Barney, 1991);
- **Dynamic Capability** (Teece, 1994; Grant, 1996; Eisenhardt & Martin, 2000);
- **Open Innovation** (Chesbrough & Rosenbloom, 2002; Dong & Wu, 2015)

Moreover, they all classify knowledge as internal and external. However, it is believed that the classical organisational learning theories are inadequate in capturing this non-linear and dynamic process, marked by SME uncertainty, diversity of resources, constraints and heterogeneous practices. Organisational learning models to date, developed on a base interaction of individuals within large corporations are also unable to capture the dynamics of SME learning (Deakins & Freel, 1998). Thus, organisational learning theories which highlight the importance of improved internal dialogue are considered irrelevant.

### 3.3.6.1 Resource-Based View

The resource-based view (RBV), on the other hand, accounts for the uniqueness of organisational knowledge and resources, and in opposition to the traditional marketing theory shifts the focus from external to internal environment as the enabler of sustainable competitive advantage (Penrose, 1959). RBV sees competitive advantage as resulting from company’s high-performing, heterogeneous and difficult to imitate routines. It complements leading strategic management concepts such as Porter’s (1980) competitive forces framework, Shapiro’s (1989) strategic conflict, and Ansoff’s (1965) internal strengths and weaknesses versus external opportunities and threats. In the heart of the concept lie organisational distinctive and heterogeneous resources, and capabilities as enablers of superior competitive advantage (Barney, 1991; Penrose, 1959; Wernerfelt, 1984). Wernerfelt (1989) adds the importance of the resources’ VRIN attributes (valuable, rare, inimitable and non-substitutable) as determinants of distinctive competitive
advantage, which were further discussed and advanced by Barney (1991). The market intelligence itself is a strategic resource (Bharati et al., 2015; Harrigan et al., 2015; Zhang et al., 2015) and therefore the RBV theory provides a framework (VRIN) to consider market intelligence as strategic resource for strategic advantage. However, the concept has been criticised in that due to its static nature it fails to address the increasing competition and dynamism of today’s business environment.

3.3.6.2 Dynamic Theories

Dynamic theories that concentrate on growth by explaining change, adaptation and learning from uncertainty and experience, and that result in enhanced competencies, are more suitable in explaining SME learning by doing marketing practices (Deakins & Freel, 1998; Whalen et al., 2016). As pointed out by Minniti and Bygrave, (2001, p.7): “entrepreneurship is a process of learning, and a theory of entrepreneurship requires a theory of learning”. Dynamic approaches in studying SMEs are also recommended by Franco & Haase (2009), Zhang (2006), and Minniti & Bygrave (2001) as they are considered suitable to capture and explain SME heterogeneous practices, idiosyncratic learning, and inherent external and internal dynamics. The concept of DCs emphasizes that to be successful, a company needs to adapt and evolve through constant learning (Teece, 1994). The DCs concept provides a suitable framework for understanding the processes of SME social media use.

Thus, in order to achieve an in-depth understanding of the process of experiential learning or “learning by doing” through the recognition and application of the market intelligence gathered through social media use, and the resulting marketing activities evolution, a dynamic strategic approach is needed. The dynamic capabilities (DCs) concept is flexible enough to account for the external environment complexity and dynamism, and the internal diversity of SMEs. It is believed that through the uniqueness of the combinations between accumulated market intelligence through social media use, and SMEs’ prior knowledge, context and resources, SMEs could develop distinctive marketing capabilities, and push forward their businesses through adaptation of their marketing activities.
3.4 The Dynamic Capability Concept

The DCs concept has been chosen to frame the study. The DCs concept upgrades Schumpeter’s (1934) view of innovation as “creative destruction”, innovation-based competition, distinctive internal and external competencies and economic change. The DCs concept also extends the RBV to account for the dynamic process of knowledge accumulation, and firstly appears in the work of Teece, Pisano & Shuen (1990, 1997) and Teece & Pisano (1994). According to the DCs concept the organisational capabilities are difficult to imitate, and thus unique to each firm as they are highly dependent upon the company’s unique history, culture and climate, ability to learn and external environment changes. Hence, firms that are able to learn from customers, competitors, constantly question routines and quickly adapt their business practices, are more likely to minimize core rigidities, uncertainty and risk, and create superior value and performance through constantly evolving capabilities and strategies (Teece et al., 1997; Eisenhardt & Martin, 2000; Winter, 2003).

Due to the rapidly changing economic environment, and the shift in contemporary marketing practices, the DCs concept has recently received increased attention in strategic management. Companies of all sizes and kinds rely more and mainly on knowledge and learning mechanisms as sources of competitiveness than on traditional and tangible factors (Sher & Lee, 2004; Lee & Slater, 2007). Hence, improving quality, monitoring costs and implementing best practices (“technical fitness”) is no longer sufficient for achieving long-term competitive advantage (Teece, 2007). In today’s complex and uncertain economic landscape, exhibiting capabilities to learn, change and evolve in strategic management are considered key factors not only for business excellence, and long-term competitive advantage (Eisenhardt & Martin, 2000; Teece, 2007; Singh, Garg, & Deshmukh, 2008) but also for simply surviving in a constantly changing, unpredictable market. The dynamic development becomes the imperative and the basis of the success of the firms that overtake competitors and not “…the static pool of resources…” (Lee & Slater, 2007, p.253). The DCs theoretical framework explains firms’ capabilities to constantly evolve in a fast-changing market environment as a key to sustain competitive advantage (Eisenhardt & Martin, 2000; Teece, 2007; Teece et al., 1997; Winter, 2003).
3.5 Dynamic Capability Theory: Definition, Constructs and Application

A definition of the DCs firstly emerged in the paper of Teece et al. (1997, p. 516) “…as the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environment”. However, later on this definition was challenged and recognised as tautological for defining capabilities with abilities. Therefore, academic authors put forward multiple definitions (some of the key ones are listed in Table 23, see Appendix C).

Although there is no academic agreement over one definition, the key role, present in all of the definitions, is organisational and managerial processes that create, coordinate, integrate, reconfigure and transform their resources and skills in order to stay in business and enhance competitiveness by matching environmental changes. Moreover, a central factor for competitive advantage are resources and capabilities heterogeneity, their imperfect distribution, and organisational abilities to develop and deploy them (Caloghirou et al., 2004).

3.6 Types of Organisational Capabilities

From a resource-based perspective, resources are seen as knowledge-based and property-based (Barney, 1991). The knowledge-based resources are the intangible routines of combining the tangible ones. Resources are defined by Day (1994, p.38) as all the organisational assets that are tradable and tangible, and capabilities are defined as “… the glue that brings these assets together and enables them to be deployed advantageously.” Academic authors elaborating on the DCs put forward multiple classifications of organisational capabilities: intangible and tangible (physical) capabilities, zero-order, first-order (Zollo & Winter, 2002), substantive (ordinary) and dynamic (Winter, 2003), first-order, second-order and third-order (Collis, 1994; Wang & Ahmed (2007). Due to their changing nature, however, it is difficult to make a clear distinction between organisational operating and dynamic capabilities. There is an academic agreement, however, that the operating capabilities are routines, oriented toward fulfilment of day-to-day functional activities, such as: marketing operations, product development etc. In comparison, the dynamic capabilities alter operating capabilities, they are future oriented, and are difficult to imitate routines and resources, such as: organisational knowledge, skills and processes development (Dierickx & Cool, 1989; Day, 1994; Makadok, 2001).
Knowledge and continuous organisational learning are considered core resources in the creation of DCs, and as a result catalysts of organisational evolution through competencies of acquiring, distributing, interpreting and storing that knowledge (Teece et al., 1997; Eisenhardt & Martin, 2000; Zahra & George, 2002). Moreover, such learning is grounded in tacit knowledge and is unique and not easily transferred, documented or imitated – the concept of VRIN (Barney, 1991; Wernerfelt, 1984). These critical resources could be located beyond a company’s boundaries (Dyer & Singh, 1998) and this is where the key role of social media comes in and linkages with key stakeholders as a way of accessing and matching these critical resources. Prahalad & Hamel (1990, p. 82) add to the latter that: “core competence is communication, involvement, and a deep commitment to working across organisational boundaries.” This market-based learning is a central dimension of marketing and particularly important for SMEs due to their inability to absorb repeated failures (Day, 1994; Gnizy, Baker, et al., 2014; Sinkula, 1994).

In the context of the current research project, organisational social media practices and the market intelligence gathered as a result are seen as very valuable enablers of connections with different stakeholders, relationships and suppliers of market intelligence.

Despite their changing nature, DCs are claimed to demonstrate certain commonalities across firms, notwithstanding the diversity of organisational paths and starting points (Eisenhardt & Martin, 2000; Teece, 2007; Wang & Ahmed, 2007). The DCs are not tacit, but rather identifiable and specific processes, such as: product development, resource-transferring processes, knowledge creation, strategic decision-making, and alliance formation (Eisenhardt & Martin, 2000; Lee, 1999; Zahra & George, 2002). Thus, the strategic processes employed by companies are critically important because they transform these resources into value-creating strategies (Wiklund & Shepherd, 2003).

3.7 Classification of the Processes Associated with the DCs

There are three classes of factors that govern organisational competitive advantage in respect to DCs formation (Teece et al., 1997). These factors are the organisational and managerial process, shaped by a company’s assets and by the path adopted. The organisational process for its part encompasses three key sub-processes that are essential for dynamic capabilities (Teece et al., 1997):

- Coordination/integration of both internal and external activities
• Learning seen as social and collective, and defined as repetition and experimentation which enables tasks to be performed better and quicker
• Reconfiguration and transformation of resources based on the ability to scan the environment to evaluate the markets and the competitors

These three processes have been linked to capabilities to sense, seize and shape opportunities, which all derive from the individual and collective knowledge and learning capacities within the organisation (Teece et al., 1997). Moreover, by repetition and experimentation, the learning process enables better and quicker performance of the organisational tasks. Hence, information that is difficult to transfer and repeated interactions lead to knowledge acquisition and learning, and transfer knowledge to core competencies (Yli-Renko et al., 2001).

Other authors define three main components of dynamic capabilities: adaptive capability, absorptive capability and innovative capability, similar to those stated by Teece et al., 1997; Wang & Ahmed, 2007). The adaptive capability is referred as the company’s ability to identify and take advantage of market opportunities by responding to market dynamism through realigning resources and exploiting strategic flexibility. The absorptive capability is referred as the organisation’s ability to assimilate and integrate external knowledge into its organisational processes. Companies, demonstrating strong absorptive capability, are seen as more willing to succeed in an environment dominated by technological change. Another key capability is the company’s ability to demonstrate innovative behaviour, orientation and process or innovative capability.

Although different names for the processes of interest and influencing factors have been put forward in the DCs literature, it could be summed up that there are four critical components of the DCs: they are routines rooted in ‘real-time’ knowledge; they are based on the initial company’s resources and operational routines; DCs formation involves a transformation of knowledge and routines; and their execution results in new configuration of resources and routines.

### 3.7.1 Knowledge-Based Resources: Absorptive Capacity

As acknowledged, the processes of identification of new knowledge and as well the process of distribution of this knowledge across company’s departments are of extensive interest to the current research project, and to the development of dynamic capabilities. This process is known as absorptive capacity, and is widely acknowledged as a crucial
component of the DCs, as it enables better understanding of markets and consequently market opportunities (Zollo & Winter, 2002; Liao et al., 2003; Wang & Ahmed, 2007). The absorptive capacity is defined as a firm-level construct, and the exact internal mechanisms that influence absorptive capacity could vary; there has been a call for further research in the absorptive capacity mechanisms and context (Van Den Bosch et al., 2003). The absorptive capacity is developed on the basis of the learning experiences from different organisational activities such as social media use.

Through intensive social interactions, knowledge is successfully transferred within and beyond the organisational network community (Yli-Renko, Autio, & Sapienza, 2001; Inkpen & Tsang, 2005). The weak ties enabled by social media are considered particularly effective because simple knowledge is transferred and social media technologies enable access to new customers by connecting broad and disconnected marketplace groups. Hence, the use of social media enables knowledge-accumulation mechanisms and behaviour and facilitates connectedness and sharing, which are particularly important in the knowledge absorption process (Todorova & Durisin, 2007).

In that way “familiarity traps”, “maturity traps” and “propinquity traps” could be avoided and firms would be able to fully explore new knowledge (Liao et al., 2003). As pointed out by Liao et al. (2003), due to their scarce resources, SMEs are more likely to be imprisoned in such traps and therefore, unable to respond to market shifts. The accumulation of absorptive capacity through the use of social media for acquisition of market knowledge could prevent such reactive behaviour, and could enable SMEs to fully exploit their potential through continuous evolution, and by minimizing risk and uncertainty.

Moreover, the absorptive capacity is equally important for both operating and dynamic capabilities development (Newey & Zahra, 2009). Operating capabilities require absorptive capacity in order to supply organisations with external knowledge and in that way enable continuous evolution. In relation to the DCs development, absorptive capacity plays a major role in the understanding of what to change in the operating capabilities. Thus, the knowledge obtained through the use of social media could potentially inform managers about exogenous changes and/or inspire them to see new opportunities, change and adapt. The absorptive capacity is discussed in detail in the next section.
3.7.1.1 The Constructs of Absorptive Capacity

The absorptive capacity of a firm is defined as encompassing ability to acquire, assimilate, transform, and exploit knowledge or “active listening” (Zahra & George, 2002). It is a company-wide activity and different sources (competitors, customers and others) and media could be used for the purpose (Liao et al., 2003). From a process point of view, Lane, Koka, & Pathak (2006) define absorptive capacity as the firm’s ability to use external knowledge through the processes of: exploratory learning (potential absorptive capacity), transformative learning (links the other two and refers to the knowledge storage over time) and exploitative learning (realized absorptive capacity).

Zollo & Winter (2002) recognise three mechanisms underneath successful organisational learning: experience accumulation, articulation and codification of knowledge. They see DCs as emerging through the co-evaluation of the organisational (behavioural and cognitive) experience and the knowledge by codification activities. Similarly, as Zahra & George (2002) and Zollo & Winter (2002) also highlight, the key function of knowledge codification which enables the transformation of the information into organisational knowledge. Moreover, the codification phase of the organisational knowledge evolution is considered crucial as, if successful, it will enable routines changes in order to successfully address identified strengths and weaknesses.

Although numerous definitions of the constructs underlying the DCs formation have been put forward, it could be summarized that all of them are in consensus about the key role of the market knowledge in the DCs formation through three processes: knowledge recognition, absorption, assimilation and exploitation. For the purposes of the present research, constructs from Cohen & Levinthal (1990), Slater & Narver (1995), Zahra & George (2002), Newey & Zahra (2009), Todorova & Durisin (2007), models of absorptive capacity, were adopted and integrated in the theoretical framework of the current research.

3.7.2 The Ability to Unlearn

In order to avoid over-dependence on past experience and practices, it is essential that DCs are tied-up to real-time knowledge (Eisenhardt & Martin, 2000). With crucial importance in such respect is the capability to destroy current knowledge and then reconfigure, create and apply it in new ways (Nonaka, 1994; Liao et al., 2003; Todorova & Durisin, 2007). This process is with particular importance to the company’s ability to learn from mistakes and to unlearn. The learning organisation could quickly adjust its structures and processes.
or unlearn routines, inapplicable in the fast changing environment (Slater & Narver, 1995) in order to better address market changes and prevent strategic paralysis (Day, 1992; Slater & Narver, 1995). Thus, the speed of learning and the robustness of the knowledge chain have high importance for the success of the learning process (Spinello, 1998; Liao et al., 2003). The changes in capabilities could vary from complete substitution through moderate to incremental evolution depending on a company’s individual resources, path-dependencies and degree of technological change (Lavie, 2006). As a result of the latter, some capabilities lose their value and collapse, and others become dynamic (Newey & Zahra, 2009).

The positive and motivational role of experimentation, reflection on failure and success are extensively acknowledged in the literature (Cope, 2005; Day, 1992; Eisenhardt & Martin, 2000). SMEs could be better and quicker in unlearning and altering their business process than larger companies, which are often over-dependent on their established routines and unable to adapt due to their complex organisational structure, bureaucracy and hierarchy (Argyris, 1986). Helfat et al. (2007) add that: “Sometimes erected on their own, and sometimes accumulated from yesterday’s scar tissue, there are barriers protecting a company’s core made up of history, culture, bureaucracy, and organisational routines that are every bit as daunting to break through as the strongest of physical or strategic entry barriers.”

3.7.3 Balance between Exploration and Exploitation – Ambidexterity

Dynamic capabilities are also related to the balance between present operational routines, both on a strategical and a tactical level, and the ability to sense market opportunities and therefore shape business process (Tushman & O’Reilly, 1996). These essential processes firstly emerged in the work of Duncan (1976) under the term “organisational ambidexterity”. They have also been called “managing paradox” (Tushman et al., 1997) or managing “dual structures” (Duncan, 1976), as the skills required for exploitation are completely different from those required for exploration.

In the OL literature, the same processes have been introduced by March (1991), called exploration and exploitation. The former represents creating new organisational learning, the latter uses existing knowledge, processes and skills. As claimed by March (1991), companies need to carefully balance between exploration and exploitation, as too much
exploitation leads to rigidities, but too much experimentation could lead to underdeveloped and very expensive ideas and chaos.

The antecedents of the ambidexterity process are the environmental dynamics. The exploitation process has positive effects in stable environments but negative in turbulent conditions, and could lead to inertia (Leonard-Barton, 1992). As a result, the balance between exploration and exploitation fluctuates depending on the market and technology dynamism (He & Wong, 2004).

Additionally, the process of exploitation requires different resources and structures from the process of exploration (He & Wong, 2004; Cegarra-Navarro & Dewhurst, 2007). The exploration process is a pre-requisite of the exploitation, however, it strongly depends on the prior knowledge of the company. At the core of the process of ambidexterity lies the knowledge creation processes, and knowledge retention capabilities of a company’s team.

On the other hand, often high-performing firms are less willing to change and store acquired information, because they usually favour exploitation over exploration (Sinkula, 1994).

### 3.7.4 DCs Building Blocks: Context and Resources

As already acknowledged, DCs are highly dependent on company context and are formed by enabling variables within and outside the firm (Ambrosini & Bowman, 2009). They are processes that leverage specific resources (Eisenhardt & Martin, 2000; Grant, 1996; Leonard-Barton, 1992), and research shows that resources alone are not sufficient to advance organisational marketing, they need to be transformed into distinctive capabilities (Day & Wensley, 1988; Hooley, Greenley, Cadogan, & Fahy, 2005; Roberts & Grover, 2012; Vorhies & Morgan, 2005 Bharadwaj, 2000; Borges, Hoppen, & Luce, 2009; Chang et al., 2010).

From an SME marketing perspective, Carson et al. (1995) and Hill & McGowan (1996) confirm the crucial importance of the firm culture, its external environment, the individuals involved in the networking activities, and firm specific assets/resources. Research in the SME field highlights the need for uncovering underlying links, processes and mechanisms underpinning the “learning by doing” processes, by accounting for the specific business context of SMEs (Carson & Coviello, 1996).
Furthermore, recent research highlights the important role of context in explaining SME actions and their outcomes (Hlady-Rispal & Jouison-Laffitte, 2014; Zahra et al., 2014) and for research methodology that is capturing the context and discovering relationships and building theory (Zahra & Wright, 2011).

As a result of the different combinations between the above elements, different combinations of DCs could be developed. Factors that have been claimed as foundations of DCs development vary in different studies and have been synthesized and classified into four categories: human resources, physical resources, structure and systems, and culture (Verona & Ravasi, 2003). Similarly, Todorova & Durisin (2007) and Zahra & George (2002) also stress the importance of contingency factors to Cohen & Levinthal’s (1990) absorptive capacity model.

Therefore, DCs would not be studied in isolation but rather in integration with the broader organisational context in which they occur. An extensive literature review has been conducted to synthesize the factors that enable and/or hamper the DCs formation. These factors are discussed as important conditions and enablers of the DCs formation and execution processes:

- the market dynamism, and triggers of social media use
- prior knowledge
- actors
- organisational structure and systems
- internal climate
- resources/assets

A review of the factors follows and then the model developed is presented and application in the present research is discussed.

### 3.7.4.1 Market Dynamism

Market dynamism has a great influence on the process of organisational learning and DCs development. In high-velocity markets, often managers find themselves unable to translate and integrate the market intelligence into a meaningful organisational learning and, respectively, if changes in the market occur too rarely managers could easily forget that
previously learnt (O’Reilly & Tushman, 2011). The DCs demonstrate different features depending on the market dynamism from linear routines, based on existing knowledge in moderately dynamic markets to experiential and iterative routines in high-velocity markets (Eisenhardt & Martin, 2000). In high-velocity markets, companies’ dynamic capabilities focus is on creating new knowledge, based on the specific situation in order to prevent the tie-up to specific behaviour. In comparison, in moderately dynamic markets, DCs are based on existing knowledge and practices and are predictable, complicated routines, exhibiting slow evolution over time that could lead to inertia in a dynamic environment (Leonard-Barton, 1992). In high-velocity markets, DCs could easily become obsolete and collapse (O’Reilly & Tushman, 2011). The instability of the market causes unpredictability of the DCs and their outcomes. The rate of change in the capabilities depends on the industry context, hence there are no universal combinations. Due to this diversity and flexibility of the DCs, there is no academic agreement over how exactly DCs could be recognised.

In the context of entrepreneurship, DCs consist of more than just routines as responding to business change and sustaining competitiveness requires actions that often could not be replicated (Eisenhardt & Martin, 2000; Teece, 2012). The rapid changes in high-technology sectors, and in young and emerging industries make information processing and knowledge acquisition particularly notable (Daft & Huber, 1987; Shan, Walker, & Kogut, 1994). Additionally, the rapid changes in the market in high-technology sectors make information generation and knowledge acquisition particularly evident (Shan et al., 1994).

Due to the rapid changes in high-velocity, young and emerging industries, SMEs pertaining to high-velocity industries will absorb more information, and will favour exploration, experiential practices and iterative routines (Shan, Walker, & Kogut, 1994). The latter will make information processing and knowledge acquisition particularly notable. In high-velocity markets, companies’ dynamic capabilities focus is on creating new knowledge, based on the specific situation in order to prevent the tie-up to specific behaviour.

On the contrary, SMEs operating on stable, moderately dynamic sectors will favour linear, existing predictable routines and knowledge and will favour exploitation, predictable, complicated routines, and thus will exhibit slow evolution and could lead to inertia in a dynamic environment.
The concept of path represents a recognition that the history matters and that the opportunities are “closed in” to previous activities (Teece et al., 1997). Moreover, the concept of path is advanced by the industry’s technological opportunities that could speed up the process of change in a given industry. “By having already developed some absorptive capacity in a particular area, a firm may more readily accumulate what additional knowledge it needs in the subsequent periods in order to exploit any critical external knowledge that may become available.” Cohen & Levinthal (1990, p.136). Thus, the already developed absorptive capacity affects and shapes organisational expectations and abilities to predict future changes (Cohen & Levinthal, 1990), and their “ability” to absorb new knowledge (Roberts et al., 2012).

Therefore, as a result of their unique histories, resources/assets and strategic paths, and their specific processes of coordinating resources companies develop heterogenous capabilities (Lee & Slater, 2007). As previously acknowledged, shared knowledge within community strengthens companies’ abilities to recognise and respectively assimilate new knowledge, or as called in the literature “history dependency”, “path dependency” or “prior knowledge” (Grant, 1996). Such prior learning in combination with the newly acquired knowledge/resources and shared vision gives individuals a sense of direction and belonging, and keeps the organisational focus (Day, 1994). As a consequence, companies learn from their good or bad experiences and practices, and such information is embedded in their mental models and influences their future thinking (Day, 1994).

Organisational prior knowledge is constructed from two components: technological and market knowledge (Kogut & Zander, 1992; Shane, 2000). Technological knowledge is the knowledge that the organisation actually exploits in its absorptive process (Cohen and Levinthal, 1990) and market knowledge refers to knowledge about opportunities for technological knowledge application (Teece, 2007). The two components of knowledge complement each other and enhance organisational performance through their integration in organisational learning (Lane et al., 2006).

Lastly, what particular organisational resources/assets have been dedicated to the processes of interest will be investigated.
3.7.4.3 Organisational Culture, Internal Structure and Systems

The organisational internal environment, climate and culture are important antecedents and facilitators of the process of DCs formation (Teece et al., 1997).

“…organizational learning occurs when members of the organization act as learning agents for the organization, responding to changes in the internal and external environment of the organization by detecting and correcting errors in the organizational theory in use, and embedding the results of their inquiry in the private images and shared maps of organization” (Argyris & Schon, 1978, p.23).

The importance of a firm’s values, such as commitment, open-mindedness, and shared vision for the process of knowledge creation and exploitation are acknowledged in existing research (Sinkula, Baker, & Noordewier, 1997). The importance of the so-called “open-minded inquiry” or companies’ actions of active scanning of the environment and openness to new opportunities is substantial for companies’ ability to learn (Day, 1992). As a result, awareness and responsiveness are developed, followed by relevant organisational actions (Jaworski and Kohli, 1993). Organisational “open-mindedness” refers also to the ability to question long-held routines and beliefs (Sinkula et al., 1997) and unlearn when needed. The learning organisation networks with stakeholders and customers on a continuous basis and benchmarks itself against competitors.

The organisational internal structure that facilitates learning is decentralised, flexible and open to external signals. The organisational structure is very important in facilitating cross-departmental sharing and flow of information. Organisational mission and vision, on the other hand, need to also be clear and well communicated internally (Hart, 1992; Slater & Narver, 1995). This shared knowledge and these values contribute towards establishing a sense of community and innovative culture by enabling trust and collaboration (Penrose, 1959; Grant, 1996).

Furthermore, initially learning is happening on an individual level. Afterwards, knowledge is transferred to the organisational level by the process of internal dissemination which represents the sharing of knowledge to all relevant levels of companies’ units and individuals (Liao et al., 2003). The connection between multiple individuals starts with personal knowledge, and individual understanding, and then is institutionalised into an organisational level and stored, in order to be accessed by individual employees when needed. The learning is initially happening on the individual level and after that is
transferred to the group and lastly, the organisational level (Cohen & Levinthal, 1990; Nonaka, 1994; Cegarra-Navarro & Dewhurst, 2007). Thus, to understand the process of learning particular attention needs to be paid to the process of transferring individual knowledge to the collective level (Zhang, 2006). In such respect, SMEs are favoured by shorter lines of communication and quicker internal information dissemination systems, due to their smaller size and informal climate. Moreover, the only way that dynamic capabilities can be a long-term competitive advantage is if they are applied “sooner, more astutely, and more fortuitously” than the competition (Eisenhardt & Martin, 2000). It is believed that due to their smaller size, flat structure, informal personal relationships, flexibility and flourishing internal culture that SMEs are naturally predisposed to develop and deploy such DCs through quicker information assimilation, and dissemination processes.

3.7.4.4 Actors Involved in the Use of Social Media – Facilitative Leadership

The skills, experience and training of the organisation’s human capital are recognised as the foundation of the overall capability to absorb external knowledge and convert it to new products and processes (Penrose, 1959; Muscio, 2007; McKelvie & Davidsson, 2009). Much of SMEs’ knowledge resides in companies’ human capital. Therefore, the development of human capital is of crucial importance, which can be then used to create firm value (Hitt et al., 2001). The DCs development could also be triggered through companies’ internal mechanisms of opportunities identification.

Critical success factors for the DCs formation process are also owner-manager’s abilities, personalities, leadership skills, and motivations. Similarly, in the SME context, the owner-manager is pointed out as a main driving force for all aspects of the organisation and also for technology adoption and particularly for social media adoption (Zeiller and Schauer, 2011). SMEs are affected by the so-called “liability of ownership” (Aldrich and Auster, 1986). The importance of power relationships in the context of absorptive capacity development is acknowledged in existing DCs research (Todorova & Durisin, 2007). Powerful stakeholders within and outside the organisation influence the knowledge absorption process, and therefore some companies are better than others in exploitation of external knowledge (Todorova & Durisin, 2007). The key role of the owner-manager and their cognition base, social and human capital is highlighted in the aspect of exploitation of new knowledge (Muscio, 2007).
Moreover, research shows that the trigger for the processes of the DCs formation could be initiated by the so-called “endogenous entrepreneurship” or inside the company and not only as a result of the market dynamism and external pressure (Newey and Zahra, 2009). Therefore, it is believed that SMEs with an informal, facilitative climate and leadership of “open minded” enquiry will absorb and transform market intelligence into marketing capabilities more effectively. The dominant position of the owner is recognised as an important enabling or hampering factor of the process of learning development through the use of social media.

3.7.5 DCs Measurement

The capabilities performance could be assessed through so-called “evolutionary fitness” and “technical fitness” (Helfat et al., 2007). Technical fitness means how effectively an operating capability performs its functions, and evolutionary or external fitness means “how well a dynamic capability enables an organisation to make a living by creating, extending, or modifying its resource base” (Helfat et al., 2007, p.7).

Due to the DCs changing nature, however, there is an ambiguity surrounding the concept, and also the DCs measurement (Zahra et al., 2006). There is an academic agreement however, that dynamic change operational capabilities (Eisenhardt & Martin, 2000; Winter, 2003; Zahra et al., 2006). Eisenhardt & Martin (2000, p.1,106) also highlight that “dynamic capabilities are necessary, but not sufficient, conditions for competitive advantage,” and propose that their value must be measured through their impact on organisational performance in terms of reconfigurations that they cause to resources, such as new products or new processes or their impact on operating capabilities (Helfat & Peteraf, 2003, p.999).

In the context of the current research project, the impact of the DCs are measured through the change in marketing operating capabilities they cause, as a result of the interaction between operating and dynamic capability (see Figure 1, section 3.8). A capability will be considered a dynamic capability if it involved creating, extending or changing marketing operating capabilities. This could be a change in marketing operations processes and practices/strategy planning and strategic choices, changes in product, price, place, promotion, new organisational marketing structures and processes, branding or CRM.
3.7.6 Application of the DCs Concept in the SME Field

Although it is argued that DCs are strongly entrepreneurial (Teece, 2007; Borch & Madsen, 2007), the DCs literature to date has been focused mainly on large companies (Zahra, 2006; Muscio, 2007; Chang & Hughes, 2012). It is believed that through their inherently dynamic and experimental business style, rooted in extensive and informal networking, the concept is very close to SMEs’ inherently dynamic business style. The importance of opportunity recognition is acknowledged in both the marketing and entrepreneurship literatures (Miles et al., 2015). Moreover, the bulk of the research in the SME field is accused precisely for missing the fact that SMEs are embedded in formal and informal networks and relationships (Brown & Lockett, 2004). Additionally, to date the multidimensional nature of absorptive capacity or organisational learning capability is under-researched outside of the R&D context (Lane, Koka, & Pathak, 2002) and especially in the context of SMEs. The role of social media as a supplier of market intelligence for absorptive capacity development in the SME marketing context is also under-researched.

DCs research also highlights the need for a further understanding of why some companies succeed in today’s dynamically changing environment, and how some companies manage to simultaneously successfully exploit existing competencies and assets, and at the same time explore new market opportunities (Ambrosini & Bowman, 2009; O’Reilly & Tushman, 2008; Verona & Ravasi, 2003). In addition, there is a call for a resource-based approach, in advancing SME marketing discipline and theory (Srivastava, Fahey, & Christensen, 2001).

3.7.7 Summary of Argumentation of Choice of the DCs Concept

SMEs’ ability to acquire new resources and mobilise existent resources and capabilities and align them dynamically are crucial to their survival and competitive advantage (Liao et al., 2009). The DCs concept is suitable to accommodate SMEs’ distinctive characteristics, business context, and inherent dynamics. Additionally, the DCs concept is flexible enough to account for any new and unique findings, due to its non-linear nature, and grounding in experiential learning. The concept also provides a structure for the study by contributing exact processes and constructs to be researched.

The present research adopts the DCs concept as a “sensing device” to understand and explain SMEs’ diverse social media practices, and their effects on marketing activities. The DCs concept helps to uncover and explain the interactions taking place between
operating capability of daily social media use and dynamic capabilities of marketing planning, which as a result alters marketing operating capabilities of online and offline marketing strategy and tactics. The DCs concept guides the understanding of the processes applied by SMEs to capture market intelligence through the use of social media, the process used to make sense of that market intelligence, and the process used to exploit that sense-making (see Figure 3, Objectives diagram). In a similar vein, Day (2013) argues that there is a need for outside-in and not just narrow inside-out approach to strategy through DCs, starting with the changes in customers’ needs, markets, competitors. The latter has been implemented in the present research through undertaking such outside-in focus on understanding how the information developed and gathered at operating capabilities level allows marketing practices to evolve.

See, Table 24, Appendix F for an overview of studies adopting the DCs theoretical lens and their research aims.

3.8 Research Framework

![Figure 1 Model of the interaction between operating and dynamic capabilities and firm evolution. Adapted from Newey & Zahra (2009, p.84)](image-url)

This model depicts the research framework through the lenses of the DCs theoretical perspective. Figure 1 visually represents the interaction between dynamic and operating capabilities, resulting in marketing evolution.
The research objective has been broken down into three sub-objectives / processes, in accordance with the three knowledge-related processes of absorptive capacity and DCs development.

### 3.8.1 Research Objectives

The aim of the present research is to develop a theoretical model to guide exploration of SME social media practices as a source of market intelligence for marketing development and evolution. The model will be applied to a diverse selection (justified below in section 3.8.1.1) of SMEs to produce an in-depth understanding of the variance in the information absorption, assimilation and exploitation processes and their implications for SME marketing practices development. The model adopts the DCs theoretical lens to produce an in-depth understanding of the idiosyncratic SME social media practices and their implications for marketing development, by studying the following learning processes:

- the process of exploration and capturing of market intelligence through social media practices (exploratory learning or potential absorptive capacity)
- the process of internal sense-making of the acquired information (learning) in the SME marketing context (transformative learning or realized absorptive capacity that also relates to knowledge storage over time)
- the process of exploitation of that learning by studying how the marketing operational capabilities are altered as a result (exploitative learning)

For the purposes of theoretical generalization, the researcher seeks variance on factors associated in previous research with variance in SME marketing practices (Carson, 1990; Gilmore, Carson, & Grant, 2001; Hills, 1987) and in variance of information absorption, assimilation and exploitation processes as per DCs research (Cope, 2005; Liao et al., 2003; Winter, 2003; Zahra et al., 2006), such as company age, size and industry.

As claimed by Hills (1987, p.4):

“Given this important societal role [of small business], one might expect a significant amount of scholarly research in marketing on numerous aspects of venture creation and development. At a minimum, one would expect firm size and stage of the business life cycle to be commonly entered as variables in marketing studies. The evidence, however, suggests that marketing academicians have almost entirely neglected such investigations.”
3.8.1.1 Justification of Factors of Variance

3.8.1.1.1 Industry: Knowledge-Intensive vs Traditional Industry
The creation, survival and development of knowledge intensive enterprises highly depends on knowledge development, management and application (Whalen et al., 2016). These are particularly high-tech firms, manufacturing, services, creative industries, academic and research spin-offs. They usually play a critical role as knowledge providers, and therefore it is very important to understand the dynamics of their learning practices (Whalen et al., 2016).

Knowledge-intensive companies are defined as companies that gain their competitive advantage by converting the skills and knowledge of their human capital to intellectual capital (e.g. software solutions, business advice and patents) in a way that has value to their customers and is not easily copied (Swart and Kinnie, 2003). They are companies where most work is of an intellectual nature and where well-educated, qualified employees form the major part of the workforce (Alvesson, 2000). Research shows that changes in high-technology sectors, and in emerging industries make information processing and knowledge acquisition particularly notable, in contrast to SMEs operating in traditional, stable industries, which are usually less engaged in knowledge-development and application and more focused on executing their core capabilities (Alvesson, 2000; Daft & Huber, 1987; Shan, Walker, & Kogut, 1994).

3.8.1.1.2 Company Age
The DCs literature shows that there are also differences in the market intelligence accumulation and integration processes taking place in established SMEs and in younger <5 y. o. SMEs, and consequently the DCs developed within larger established firms highly differ from ones developed within younger and smaller entrepreneurial SMEs (Winter, 2003; Zahra et al., 2006). The main differences are further discussed below.

3.8.1.1.2.1 Established SMEs
Despite the economic importance and the huge number of SMEs launching every year, a very low percentage – only 50% – actually survive beyond the first five years (Gray, 2004, 2005). Moreover, the process of organisational learning development, and its effect on enhanced capabilities and strategic benefits may need long time to occur and to be realized, after the experience itself (Barnes et al., 2012; Cope, 2005). The gradual accumulation of experience through tacit knowledge exchange is leading to fundamental, generative
learning (Burgoyne and Hodgson, 1983; Liao et al., 2003). As a consequence, the majority of SMEs are executing a process of incremental evolution through gradual learning (O’Dwyer, 2009; Stokes, 2000). In other words, the gradual process of market intelligence accumulation through social media use, its history-dependent nature, and its effects need time to take place, develop and impact upon company marketing activities.

Despite the latter acknowledgement, the bulk of the research in the SME learning field focuses on start-ups and individual entrepreneurs (Reuber & Fischer, 1999; Yli-Renko, Autio, & Sapienza, 2001; Cope, 2005; Wang, 2008). However, the learning process is not limited to the start-up phase, but continues throughout the firm’s lifecycle, and research shows that the learning process is even more significant in growing entrepreneurial small companies (Schildt et al., 2005). Furthermore, smaller established firms need different capabilities than new or larger ones (Zahra et al., 2006). Numerous scholars have called for better understanding of the learning process within existing firms (Cope, 2005; Schildt et al., 2005).

Moreover, established companies of any size struggle to pursue new opportunities because of their exploitation routines (Hitt & Ireland, 2000; Hitt et al., 2003; Vargo & Lusch, 2004; Borch & Madsen, 2007). From an ambidexterity point of view, established SMEs need balance between exploration and exploitation (Zahra et al., 2006), in contrast to new and larger companies that need a different mix of activities (Reuber & Fischer, 1999). The process of knowledge assimilation, dissemination and adaptation in established SMEs is also neglected in the existing research (Bygrave & Hofer, 1991; Herron & Sapienza, 1992; Cope, 2005). Therefore, the particular focus of the present research is on SMEs that are established, and at least five years old, as they are more likely to have accumulated market intelligence through their use of social media, and as a result experienced the derived effects on their marketing activities.

### 3.8.1.1.2.2 Young Start-Ups

The conducted literature review indicated that younger and smaller firms might make greater use of market information (Sinkula, 1992, 1994; Zahra and Dess, 2001; Zahra et al., 2000) and are more willing to change and adapt (Reuber & Fischer, 1999; Yli-Renko, Autio, & Sapienza, 2001), in contrast to older SMEs that might struggle to quickly respond and change (Alvesson and Spicer, 2012; Argyris, 1996). Moreover, young firms usually do not have rigid routines, hierarchy and bureaucracy, and usually suffer more resource
constraints than older ones (Mc Cartan-Quinn & Carson, 2003). Younger SMEs might dedicate even more attention to their social media practices and might be even more willing to take in new knowledge, and quickly transform routines in order to respond to opportunities and challenges identified (Autio et al., 2000; Yli-Renko et al., 2001). However, the DCs literature shows that young SMEs often face problems with dynamic capabilities development as their ability to develop new capabilities is limited because they have not developed any until now (Zahra and Filatotchev, 2004). Moreover, they often suffer severe resource and time constraints and this might be a reason why they do not put the knowledge into action. Additionally, the OM often is unable to transfer their drive and passion to employees due to an individualistic nature or severe time constraints (Mc Cartan-Quinn & Carson, 2003; Wang & Chugh, 2014; Stokes, 2000).

3.8.1.1.3 Company Size

Another factor that might affect SME marketing is company size (Carson, 1990; Gilmore, Carson, & Grant, 2001; Hills, 1987; Nakara et al., 2012). Research shows that smaller companies prefer face-to-face meetings with clients and know their clients personally (Nakara et al., 2012). Moreover, the internal assimilation and transfer of information in SMEs with less than 5 employees is very simple and may not bring sufficient contribution to understanding the learning processes of interest, and last but not least could bias the findings of the research. Therefore, micro enterprises with less than five employees have been discarded.

3.8.2 Processes of Interest and Contribution Identification

The present research contributes to the existing academic body of knowledge by providing a model to study the process stages associated with the three learning processes: explorative, transformative and exploitative, as depicted in Figure 2:

Figure 2 Processes levels
3.9 Learning Processes Application

In an effort to build a new theory, the present research proposes that organisational social media use is an operating capability and the corresponding dynamic capability that reconfigures SME marketing practices occurs through the higher order process of marketing activities planning. Therefore, under the focus of the research is the interaction between the operating capabilities of social media use and the learning developed as a result of these experiences and how that learning informs companies about ongoing development and adaptation of marketing programmes as well as other unexpected opportunities or threats that might become apparent during the process.

The latter learning is transferred to the marketing planning level, the objective of which is to plan the SME’s future marketing development and ensure that the necessary operating capabilities (ability to undertake research, developing the programme and execution of the particular marketing activity) are assembled. This transfer of the learning to respective organisational actors at marketing management strategic planning level institutionalizes the ability of the firm to adapt and evolve by routinizing its experience at the reconfiguration of operating capabilities.

3.9.1 Initial Understanding of Company Background

The key role of the organisational external and internal environment, leadership and path adopted for the process of DCs development and application has been acknowledged in the literature review, and consequently their role is not neglected, and is researched at each step of the process of absorptive capacity development in order to understand their role and impact on the studied processes.

In such respect, firstly an extensive understanding of the company’s background is developed, such as: organisational mission, vision, general marketing strategy, perceptions of advantages, prior knowledge or history, triggers of the processes of social media use, owner’s human capital.

Then, we gather information about the processes taking place in relation to social media activities planning, resourcing and executing, followed by an investigation of the three learning processes associated with the DCs formation, which is depicted and explained below.
3.9.2 Process One: Exploration

The aim of the initial step of the research is to understand the process of exploration and capturing of market intelligence through social media practices (exploratory learning or potential absorptive capacity development), depicted in Figure 3.

![Figure 3 The Process of Operating Capability of Social Media Use on a Daily Basis](image)

Once data is collected about participants’ general social media use – planning and execution, research focus is laid on the first learning process – the recognition, creation and absorption of market intelligence through the use of social media, or the process of absorptive capacity development on an operating level. This process is also known in the literature as explorative learning (March, 1991); sensing (Teece et al., 1997); knowledge creation and absorption processes (Verona and Ravasi, 2003).

At that stage of the research, an important understanding is developed on how the operating capability of social media adoption and use is usually triggered (through exogenous shocks or endogenous entrepreneurship). Then, the first two components of the process of absorptive capacity development are studied – knowledge recognition and absorption. Data collection and analysis is structured around the factors established as enablers or inhibitors of DCs formation: internal culture, structure and systems, actors, resources. The latter allows us to understand the organisational enablers/inhibitors of this important first process of absorptive capacity development at marketing operating level.

3.9.3 Process Two: Transformation

The aim is to study the process of internal sense-making of the acquired information (learning) in the SME marketing context (transformative learning or realised absorptive capacity), and the transfer to a higher-order dynamic capability level and knowledge storage. Also, the technical fitness of the performed operating capabilities is researched at
that stage of the research or how effectively the operating capability of social media use performs its functions. In other words, how the company measures the performance of their social media practices. This process is also named in the literature: transformative learning (Lane et al., 2006); seizing (Teece et al., 1997); knowledge integration (Verona and Ravasi, 2003). The process is visually presented in Figure 4.

**Figure 4 The process of assimilation and sense-making of the learning**

The process of sense-making of the learning on an operating level and the transfer of that learning to a higher-order dynamic capability level (the marketing strategy/practices planning).

Under the focus of the second objective of the research is the process of sense-making and opportunities shaping. At that second stage of the process of absorptive capacity development, an understanding is developed on how the learning on operating level is transferred to a higher order strategic level and transformed in terms of how it contributes, and how is it translated to actual marketing strategy/practices and decision making. The aim is to understand the process of interaction between operating and dynamic capabilities, or how the learning at an operating level and the market intelligence gathered through social media practices affects decisions at a dynamic capability level or the organisational process of strategic marketing activities planning and decision making.

Particular importance is placed on this process because academic literature indicates that the process of sense-making and transferring of the learning to a higher level is very challenging to organisations, as the individual tacit knowledge is the most difficult type of knowledge to acquire, convert and store (Senge, 1990; Pawlowsky, 2001; Zhang et al., 2006; Eze, 2013). SMEs face challenges particularly in the knowledge codification and retention stages as their knowledge is stored mainly in employees’ and owners’ heads (Wong and Aspinwall, 2004). At that stage of the research, learning is explored as a
collective process of sense-making that enables marketing operating tasks to be performed better and/or quicker. According to the RBV and the DCs such real-time, tacit knowledge is a crucial value-creating strategic resource due to its (VRIN) qualities (Eisenhardt & Martin, 2000; Zahra & George, 2002). The aim is the actual transformation of knowledge, resources (by combining them with new ones) and acquisition of new ones, which then results in changed marketing routines and new resource configurations. Hence, this process is of crucial importance in understanding the entire learning process and the DCs development.

In a similar manner, specific attention at that stage of understanding development is structured under the contextual factors enabling or inhibiting the learning process: organisational structure and information flow systems employed, resources dedicated, actors involved, leadership and organisational culture in terms of incentives for seizing opportunities, beliefs and values that underpin the processes of sense-making and learning. Lastly, particular knowledge storage procedures is investigated, as well as whether social media applications are used for knowledge storage.

### 3.9.4 Process Three: Exploitation

The aim when researching the last process is to understand the exploitative learning that links the other two processes and relates to knowledge storage over time. The actual iterations of marketing operating capabilities as a result of the interaction between operating and dynamic capabilities is explored. In other words, how the learning developed on the basis of the market intelligence accumulated through the use of social media affects the SME’s subsequent marketing choices and practices (see Figure 5).

**Figure 5 Exploitation**

![Exploitation Diagram](image)

The Innovative Capability or how Operating Capabilities have been altered as a result of the interaction between operating and dynamic capabilities (Exploitation).
Reconfiguration and transformation of marketing activities and resources based on the ability to scan the environment and to evaluate the markets and competitors is explored and the resulting changes in marketing operating capabilities are identified. This is a process of continuous alignment and realignment of tangible and intangible assets in order to tap into opportunities and/or respond to environmental changes/trends. The process is also known in the literature as innovative capability or how operating capabilities have been altered as a result of the interaction between operating and dynamic capabilities, exploitative learning (March, 1991); shape (Teece et al., 1997); and knowledge integration (Verona and Ravasi, 2003).

These processes encompass the reconfiguration and exploitation of resources/practices, based on the ability to scan the environment, and to evaluate and understand the markets and competitors (resulting in restructured operating capabilities); and interaction between dynamic and operating capabilities that enable evolution or the process of combining new with existing knowledge, and its application in marketing.

Hamel and Prahalad (1994) propose three questions to test the validity of dynamic capabilities:

- Does it add customer value?
- Does it differentiate your company from your competitors?
- Does it offer a base of expansion for your company?

Under the focus at that stage of the research is to find out the answers to these questions and to find out how the higher-order capability of marketing planning/decision making was affected and consequently alters the organisational marketing operations, through identifying iterations of marketing plans, routines, resources, which as a result enable marketing evolution. This is the discussed evolutionary fitness of dynamic capability or the DCs performance measurement.

3.10 The MIATSM Model

An integrated model has been developed to accommodate all factors and processes and their joint effects on marketing activities development (see Figure 6). The Model of the Processes of Market Intelligence Accumulation through Social media Use (MIATSM) and
its Assimilation and Application in SME Marketing Activities is presented below. The MIATSM model is used to guide the present research.

Figure 6 The Model of the Processes of Market Intelligence Accumulation through Social media Use (MIATSM) and its Assimilation and Application in SME Marketing Activities

The MIATSM model helps to build a robust explanation and effectively develop a theory of the studied processes (Bonoma, 1985) and uncover the direct and indirect consequences of their social media use on their marketing practices, by accounting for SME heterogeneity and diversity, and their experimental and unplanned practices. The model is applied as a guiding device to study the interaction between the operating capabilities of social media use, the transfer of this learning to higher-order strategic level, and the follow-on marketing adaptation. The main components of the MIATSM model represent the following three processes:

- The process of exploration and capturing of market intelligence through social media practices (exploratory learning or potential absorptive capacity)
- The process of internal sense-making of the acquired information (learning) in the SME marketing context (transformative learning or realized absorptive capacity that also relates to knowledge storage over time)
- The process of exploitation of that learning by studying how the marketing operational capabilities are altered as a result (exploitative learning)
The MIATSM model helps in understanding the interaction between the operating capabilities of daily social media use and the learning developed as a result of these experiences, and how this learning informs diverse selection of SMEs’ future marketing activities.

The latter learning needs to be transferred to the marketing planning level, the objective of which is to plan SME future marketing development and ensure that the necessary operating capabilities (ability to undertake research, develop the programme and execution of the particular marketing activity) are assembled. This transfer of the learning to respective organisational actors at marketing management strategic planning level institutionalizes the ability of the firm to adapt and evolve by routinizing its experience at the reconfiguration of operating capabilities.

The MIATSM model brings together the three processes of interest, and the impacting factors identified through the extensive literature review, to guide an in-depth understanding development and theorize this under-researched area.

### 3.11 Chapter Summary

This chapter presented a discussion and evaluation of the possible theories to frame the study. The DCs theoretical concept has been chosen among the other theoretical routes. It is argued that the concept is particularly suitable to capture and explain the diverse processes taking place in SMEs in relation to their social media use for marketing development. The choice of theoretical framework has been justified, and the application of the theory as a ‘lens’ to study the processes taking place in SMEs has been outlined, and visually represented through the development of the models of the aim, the objectives of the research, and lastly, the integrated model – the MIATSM model.
Chapter Four: Research Methodology

4.1 Introduction

An essential first step of sound empirical research is the identification of a research gap, research aim and research questions (Eisenhardt & Graebner, 2007). The present research adopts such a linear-analytical structure and starts with thorough literature review, development of an in-depth understanding of the researched area, and definition of the exact topic to be researched.

Bearing in mind the research problem, that is to understand the processes associated with the information recognition and absorption, assimilation and sense-making, and exploitation of market intelligence gathered through social media use in terms of marketing transformations, a theoretical model has been developed, composed of subtopics/constructs to address the identified gap. The developed MIATSM model provides an appropriate structure for the research design, data gathering, analysis, and data interpretation. By putting the research focus on the three processes of absorptive capacity development, through the use of the MIATSM model, the influencing factors and consequent DCs development, an in-depth explanation of the researched heterogeneous and complex phenomena within their unique context is obtained. In this section, the choice and justification of the research philosophy, strategy and methods, and a detailed presentation of the MIATSM model application in the stages of data collection and analysis are outlined.

4.2 Research Philosophy

The starting point when designing the study was to give consideration to the appropriate philosophy. There are two strands of research in the SME marketing field: the first, focused on confirmation of dimensions of marketing and entrepreneurship, hypothesis testing by quantifiable measures of variables, and the second, focused on understanding behaviour and relationships, networks and competences (Carson & Coviello, 1996). The former is concerned with validity and confirmation, and the latter with identification of new concepts and paradigms. The bulk of the early research in SME marketing belongs to the first strand of research, the deductive logic of the positivist or scientific thinking (Storey, 1994; Hill & McGowan, 1999). However, the positivistic approach is not suitable
for development of a rich and in-depth understanding and explanation of particular marketing practices and processes (Siu & Kirby, 1998; O’Donnell & Cummins, 1999; Hill & Wright, 2000) such as the process of strategy/practices development through adaptation and learning (Huff & Reger, 1987).

Moreover, the positivist research approach tests and measures propositions, developed on the basis of prior knowledge in a particular area (Eisenhardt & Graebner, 2007). However, in the case of SME social media practices, marketing practices in general, and social media use for marketing development in particular, there is a substantial lack of understanding, and consequently there is a need for inductive theory building, as opposed to theory testing approaches.

Researchers are in a consensus that in the SME field, there is a need for theories that explain rather than ones that document, predict or describe (Borch & Arthur, 1995; Carson et al., 2004; Hulbert, Gilmore, & Carson, 2013). In addition, due to the dynamic nature of the studied phenomenon, the researcher considers as crucial the need to account for the SME diverse context, and therefore follow an inductive approach to uncover the findings.

Additionally, this research philosophy has been chosen, as it is closer to the entrepreneurs ‘naturalistic’ way of data gathering. Carson & Coviello (1996) recommend conducting such ‘real research’ as a way of linking academic to practitioner research, and thus producing more accurate theories of SME marketing. As also claimed by Flyvbjerg (2006, p. 224): “Predictive theories and universals cannot be found in the study of human affairs. Concrete, context-dependent knowledge is, therefore, more valuable than the vain search for predictive theories and universals.”

Hence, inductive exploratory approaches, qualitative methodologies and phenomenology in studying SMEs are suitable because of the focus of these methodologies in uncovering and understanding dynamic processes and “lived experiences” (Borch & Arthur, 1995; Gilmore et al., 2001). The inductive theory building by applying qualitative methods could reveal an in-depth insight into the complex contemporary phenomenon of social media use by answering ‘how’ and ‘why’ questions, and by accounting for the diverse SME context and the different personalities involved in the processes.

### 4.2.1 Interpretivist Research

Thus, for the purposes of the present project, the researcher adopts an interpretivist epistemological position as the social phenomenon under investigation is highly context
dependent and created through the actions and perceptions of the actors involved (Saunders et al., 2012). The interpretivist paradigm does not define independent and dependent variables in advance but focuses on human perceptions, and sense-making as the studied phenomenon emerges (Saunders et al., 2012). It is expected that naturally occurring rich data is best gathered by choosing an inductive, interpretative research philosophy.

Given the established aim, objectives and philosophy, it has been decided that field research will be conducted, as it will allow a precise and close view and understanding of the organisational mechanisms that capture learning from social media, and thus facilitate marketing adaptation and evolution. In-depth field work is also recommended when a resource-based approach to research is adopted, in order to achieve an in-depth understanding of the specific factors leading to organisational success (Rouse and Daellenbach, 1999). It is believed that the closer the researcher gets to the phenomenon, the better it will be understood (Carson and Coviello, 1996). Moreover, a close interaction between the researcher and the key personnel in the small firm is particularly recommended for building comprehensive understanding of SME marketing practice (Hill and Wright, 2001).

By taking into consideration the above, and by accounting for the SME experimental marketing practices, the present study adopts a social constructivist perspective in its ontological orientation. The social constructivist approach sees the world as socially constructed and as a consequence different for everyone (Robson, 2011). Moreover, the knowledge of reality is accumulated through social constructions such as a language, shared meanings, documents, tools, and other artefacts (Klein and Myers, 1999). Hence, the participants and their subjective knowledge are believed to be inseparable. As a result, ‘the knowledge’ is part of individually constructed reality (Schwandt, 2003). The role of the researcher therefore, will be to “understand the multiple social constructions of meaning and knowledge” (Robson, 2011, p.24). However, it is not only about how the participants are making sense of their reality but also how the researcher is making sense of their stories, and also how they construct the reality together (Robson, 2011). Therefore, the researcher is seen as a part of the process, and not only an outside observer (Vries, 2005; Hlady-Rispal and Jouison-Laffitte, 2014).
4.3 Research Methodology Selection

The choice of the methodological approach depends on the nature of the studied phenomenon (Morgan & Smircich, 1980). The choice of methodology for the present research has been made in accordance with the research aim and the research philosophy. It is argued that the methodology should be flexible enough in order to enable development of an in-depth understanding of the experimental social media practices of SMEs, and the constructed framework of the process. At the same time, the methodology will not be unstructured, as it will accommodate constructs from the DCs theoretical concept in order to help structure and explain the studied phenomenon by enhancing validity, reliability, and also providing structure for the entire research.

Given the infancy of the research area, an explorative research is conducted using qualitative research methodology that uncovers deep empirical evidence, and enables understanding of the phenomenon (Bygrave, 1989; Eisenhardt and Graebner, 2007). Qualitative research methods have been recommended for studying the decision-making process in SMEs (Curran & Blackburn, 1994; Carson & Coviello, 1996; Gilmore and Carson, 1996; O’Donnell & Cummins 2006). Additionally, due to the fact that dynamic capabilities are embedded in organisational routines and processes, their identification through quantitative research methodology would be very difficult (Eisenhardt & Martin, 2000), although for the latter, the majority of the SME research is deductive (Chandler and Lyon, 2001; McDonald et al., 2004).

By studying the participants in their natural settings and accounting for their behaviour, experiences and business context, the meaning of the studied real-life process will be understood in-depth. Qualitative methods will also allow the understanding of the complex role of the owner-manager within their unique environment (O’Donnell & Cummins, 1999; Aodheen O’Donnell, 2004).

Qualitative approaches give a richer understanding of the learning process within the heterogeneous sector of SMEs (Taylor & Thorpe, 2004). Hence, an entirely qualitative approach to research and development of an in-depth understanding of the three learning processes associated with absorptive capacity development, and its implications for marketing evolution has been chosen.
4.3.1 Possible Research Strategies

Robson (2002) discusses three research strategies for qualitative research:

- ethnographic research,
- grounded theory,
- case study research.

The theory development is stated as one of the main differences between case studies and other research strategies such as: ethnography or grounded theory (Yin, 2003).

The differences between case study and ethnographic research strategies are mainly in the time spent in the field and the extent to which the researcher gets involved in the life of the studied group. Ethnography is field research and avoids theory development prior to data collection (Klein & Myers, 1999). It works with unstructured data (Denzin and Lincoln, 1994). Ethnography is a study of everyday life, habits and the culture of a group of people and usually requires a long period of time. The ethnographic method would have been suitable if the purpose was to understand and analyse the particular language, culture and experiences of the online communities, similarly to the study of Kozinets (2006). In the case of the current research project, however, due to the aim of the project, that is to understand particular processes, ethnography is not considered as the most appropriate research strategy.

Grounded theory, similar to ethnography, avoids specifying in advance theoretical propositions. It is an unstructured research approach, developed by Glaser & Strauss (1967). The purpose of grounded theory is to build a theory from the gathered and analysed data. When undertaking a grounded theory approach, the researcher is advised to prevent reading in advance in order to enter the data-gathering phase with a “clear head”. However, the need for a more structured approach in studying the heterogeneous and experimental processes employed by SMEs in relation to their social media use and marketing practices in general was acknowledged. By following the recommendation of Carson & Coviello (1996), the researcher firstly ensured the development of a deep understanding in the researched field and grounding of the research aim in previous academic insight. Thus, by conducting an extensive literature review, the researcher developed substantial knowledge and understanding about what needs to be further studied and understood.
Development of a blueprint in terms of a theoretical framework for the study is an essential first step of case study research (Yin, 1994). Consequently, the initial preparation for case study research design takes longer. Similarly, to ethnography, case study is field research (Klein & Myers, 1999). However, as pointed out by Yin (1994, pp. 10-11), “Ethnographies usually require long periods of time in the field and emphasize detailed, observational evidence. In contrast, case studies are a form of enquiry that does not depend solely on ethnographic or participant-observer data.” The method is recommended for understanding the complex phenomenon of networking within its real-life environment (Bonoma, 1985). Hence, in order to understand the studied process, and build an accurate theory, the case study research strategy has been preferred over the other possible methodological routes.

4.3.1.1 The Case Study Research Strategy

There is an academic agreement that in areas where a lack of theories exists, case study research strategy and the application of qualitative methods is a suitable route for theory building (Eisenhardt, 1989; Miles and Huberman, 1994; Meredith, 1998; Yin, 2003). For descriptive or exploratory studies, a focus on research design that is qualitative, descriptive and case study-based is recommended (Morris and Stenberg, 1991). Moreover, Christensen & Sundahl (2001, p. 1) add that in new topic areas “the best that researchers can do is to observe phenomena, and to carefully describe and record what they see”. Yin (2003) recommends case study methods when the investigator wants to account for the characteristics of real-life events, such as organisational and managerial processes, as case studies account for the context in which the phenomenon occurs. Bonoma (1985, p.203) defines it as “… a description of a management situation”.

Case studies are preferred when studying contemporary and complex real-life events over which the investigator has no control, which are without a clear or single outcome, and when the boundaries between the studied and its context are not clearly evident (Yin, 2009).

Yin (2009, p.18) later added the following to the definition:

“The case study inquiry copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge in a
triangulating fashion, and as another result benefits from the prior development of theoretical propositions to guide data collections and analysis.”

Furthermore, the essence of a case study lies in its ability to uncover processes, such as for example decision-making, by describing and studying phenomena or processes in-depth, and in their real-life context by answering questions such as ‘why’ and ‘how’, and not ‘how often’ (Yin, 2009). One of the most important advantages of the case study research strategy is that it is capable of uncovering causal links in real-life phenomena that are too complex for survey or experimental research strategies (Yin, 2003).

As the aim of the current research is to study a phenomenon or in other words to understand and learn about a particular process, the research will take the form of learning or as claimed by Eysenck (1976, p.9) “sometimes we simply have to keep our eyes open and look carefully at individual cases – not in the hope of proving anything, but rather in the hope of learning something!” Therefore, the aim is to develop an in-depth story of the phenomenon, consistent with the observed, and a valid and coherent theory. The case study methodology has been chosen because of the nature of the studied process. It is considered that the case study research strategy will shed light on the context-dependent and diverse process that SMEs experience. In addition, case studies have also been recommended as appropriate to study the change process within the small firm (Borch and Arthur, 1995; Curran and Blackburn, 2001). The case study design is also recommended for uncovering the factors that affect the dynamic nature of SME learning (Deakins & Freel, 1998) and for investigating the tacit knowledge contribution to marketing decision-making (Srivastava, Fahey, & Christensen, 2001). Recently, there have been calls for further case studies research of companies deploying DCs and sustaining their competitive advantage in dynamic environments (Ambrosini and Bowman, 2009).

The case study research strategy is also flexible enough to account for and accommodate unexpected findings if they occur. The in-depth qualitative case study research will take the form of learning by reporting back to the researcher so the researcher can eliminate bias, through iteration between the theoretical model and data (Flyvbjerg, 2006). Multiple case studies have been compared with laboratory experiments as their aim is also to replicate, contrast and extend theory by allowing for an in-depth understanding gathering that leads to new theory development and possible iterations in the pre-developed theoretical framework (Hartley, 2004; Yin, 1994; Flyvbjerg, 2006). Contrary to laboratory experiment, however, case studies do not isolate the phenomenon from its context.
Van de Ven (2007) groups the key research activities involved in the case study research into four main categories: problem formulation, theory building, research design, and problem solving. These activities have been sequentially executed in the present project to ensure a solid basis for the entire case study research design, and data analysis process (see Appendix B).

### 4.4 DCs application in Research Projects to Date

After justifying the choice of research strategy, a discussion of how the DCs have been applied in various studies and measured to date is presented. As the result of an extensive examination of the DCs literature, it has been identified that empirical studies of DCs to date are scarce, and the ones that exist draw upon research evidence derived from larger companies.

The DCs theory has been derived to a great extent from secondary data and conceptual papers. The articles of Teece et al. (1997) and that of Eisenhardt & Martin (2000), for instance, are also based on secondary sources and examples, and not on empirical evidence. To date, a detailed explanation of how DCs develop and work does not exist (O’Reilly & Tushman, 2008; Ambrosini & Bowman, 2009). This lack of empirical evidence leads some authors to say that the DCs are in a “process black box”, due to the lack of empirical contributions (Sirmon et al., 2007). Hence, qualitative fieldwork studies are needed in order to understand the specific management behaviour and organisational process and external and internal factors which enable resource creation, re-configuration and evolution processes of value creation (Rouse & Daellenbach, 1999; Eisenhardt & Martin, 2000; O’Reilly & Tushman, 2008). There is an ambiguity surrounding DCs measurement as a result of the scarce empirical research in the DCs field and their changing nature (Kraatz & Zajac, 2001; Zahra, Sapienza, & Davidsson, 2006).

Despite this gap in the DCs theory, currently, there is a prevalence of quantitative studies in the field. Tables, synthesizing reviewed studies’ aims, methods, samples and geographical area have been developed (see Table 26, Appendix G). In addition, a discussion of the latter studies follows.

As part of the literature review, both studies answering ‘how’ and ‘why’ questions, by undertaking interpretivist, exploratory approach, and studies answering ‘how many’ and ‘what type’ questions by undertaking a positivistic approach have been reviewed. A
significant number of studies adopting the DCs view and that apply mixed approach research strategies have been also found. These studies usually have a combined aim of both learning about complex processes and examining relationships through collecting comprehensive and diverse data (Borch and Madsen, 2007; Lichtenthaler, 2009).

When studies aimed at examining contributions or measuring relationships between different variables and processes, positivistic thinking and quantitative methods are preferred over qualitative ones (such as the studies of Sher & Lee, 2004; Branzei & Vertinsky, 2006; Cepeda & Vera, 2007; Chang, Hughes, & Hotho, 2011; Muscio, 2007; Raymond & Bergeron, 2008). A detailed review of studies applying the DCs to frame quantitative research projects can be found in Appendices F and G, Table 25 & 26.

It should be noted, however, that in the areas where the latter studies pertain, there is a prior academic understanding, the existence of which allowed the development of measurements and hypothesis to be tested. This is in contrast to studies in under-researched areas where due to a lack of prior understanding and theories such measurement and testing is impossible. For example, the study of Chang & Hughes (2012) investigates the contribution of knowledge management to dynamic capabilities and business growth by measuring the role of structural contextual and leadership conditions for balanced dimension of exploration and exploitation. The authors based their measures on existing studies, such as the ones developed by Covin & Slevin, 1989; Jaworski & Kohli, 1993; Jansen, 2006.

In comparison, studies aimed at learning, understanding and uncovering processes or phenomena adopt interpretivist exploratory designs. In such studies, the DCs are measured through the changes that occur in process, resource base, products or else depending on the research aim. Examples of interpretivist exploratory studies, applying the DCs are: Ayuso et al., 2006; Boccardelli & Magnusson, 2006; Lawson & Samson, 2001; Lee & Slater, 2007; Newey & Zahra, 2009; Teoh et al., 2008; Deakins & Freel, 1998. For details of the adopted measurements of the DCs, see Table 26, Appendix G.

In a similar case, Newey & Zahra (2009) undertook the DCs theoretical perspective to explore the interaction between operating and dynamic capabilities, enabled through learning, in the process of anti-influenza drug development in two companies. By focusing on understanding the crucial processes of absorptive capacity development, through applying exploratory research design, the authors were able to understand how these
processes enable firms’ evolution. Lawson & Samson (2001) also adopted the DCs concept to explain a process. They studied the process associated with successful innovation by focusing on an in-depth exploration of the elements of innovation capability in Cisco Systems. Verona & Ravasi (2003), on the other hand, explore the process of successful and effective product development and uncover and group the organisational resources behind the knowledge-based processes, serving on their part as a base for the DCs development. Ayuso et al. (2006) study firms’ ability to integrate stakeholder insights into the process of innovation by structuring their exploratory case study design under the DCs constructs proposed by Verona & Ravasi (2003).

Case studies research strategy has been adopted by many of the reviewed qualitative studies adopting the DCs concept due to being suitable to account for the diverse context in which DCs develop, such as: Ayuso et al., 2006; Boccardelli and Magnusson, 2006; Lawson and Samson, 2001; Newey and Zahra, 2009. See Table 25, Appendix F for more studies adopting the DCs theoretical perspective and a case study research strategy.

In more recent studies, Choudhury & Harrigan (2014) and Harrigan & Miles (2014) looked at the impact of social media on organisational CRM by adopting the RBV and the DCs theoretical perspective. These studies undertake positivistic views by employing quantitative research strategies. Due to the latter however, they do not derive an in-depth understanding into the exact processes behind SME social media use and the impact on CRM. Harrigan & Miles (2014) point out that future qualitative studies will better enlighten the internal processes in relation to information processing from social media.

Although the DCs concept has gained popularity in studying diverse contemporary phenomena and practices, studies on SME social media use as a supplier of market intelligence that fuels their marketing activities are scarce to date. Moreover, in general there is a lack of interpretivist exploratory studies on SME marketing adopting the DCs theoretical perspective, and also a lack of studies on social media as an enabler of marketing evolution.

Hence, the present research adopts an interpretivist case study research strategy and applies the MIATSM model to understand and explain the learning processes taking place in different SMEs by accounting both for the external and the internal dynamics and SMEs unique leadership and marketing practices, and thus produce a coherent theory, and validate the model.
4.5 Case Study Design

In order to overcome the traditional criticism of case study research, the researcher decided to undertake a multiple case study research design. Multiple holistic case studies are developed, as a single unit of analysis is the focus of the investigation within each company, or in other words the social media implications in an organisational marketing context. The logic of the model of case study research method developed by Yin (2003) is adopted, and the research follows the sequence depicted in Figure 7: initial theory development, cases selection, and definition of specific measures in the design, data collection, and analysis process. An important part of the process is the feedback loop (illustrated with the dashed-line), which means that when an important discovery occurs during the data collection, it also impacts the study’s initial theoretical propositions/model. As a result, a redesign of the case study protocol could be undertaken or additional cases could be added (Yin, 2014).

Figure 7 The Case Study Method. Adapted from Yin (2003, p. 50)

Multiple cases development and cross-cases conclusions are recommended as a way of enhancing findings’ validity and robustness by revealing more information, and is pointed out as one of the major strengths of the case study strategy (Eisenhardt, 1989; Pettigrew, 1990).

The researcher aims to develop conflicting cases, known also as “polar types”, high-performing and low performing cases, or (especially good cases versus especially problematic ones). The polar types of cases are claimed to “unfreeze” thinking by enabling
patterns, central themes and relationships to emerge. This case study design is known also as “two-tail design” (Yin, 2014). Hence, SMEs from dynamic young and emerging industry sectors are recruited, as well as SMEs from traditional stable industries. It is believed that polar cases would enlighten information about the causes behind the studied processes, and thus would allow generalisation of theory. Multiple case study design also enables a distinction between idiosyncratic and replicated cases (Eisenhardt, 1991) through the emergence of themes and patterns. The theory built on multiple-case design is stronger, more accurate and more generalizable than the one built on single-case design (Yin, 1994). An overview of the research design is presented below, in Table 4.
<table>
<thead>
<tr>
<th>Research Purpose</th>
<th>Exploratory</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research Approach</strong></td>
<td>Case study research; qualitative interviews &amp; social media data</td>
</tr>
<tr>
<td><strong>Research Questions</strong></td>
<td>To explore how SMEs use social media on a daily basis to recognise, create, absorb and make sense of market intelligence</td>
</tr>
<tr>
<td></td>
<td>To explore how the market intelligence gathered through the social media affects SME future offline and online marketing activities</td>
</tr>
<tr>
<td><strong>Objectives</strong></td>
<td>To understand how social media is used on a daily basis and the specific organisational context in which information is created, recognised, absorbed &amp; exploited</td>
</tr>
<tr>
<td></td>
<td>Through understanding how information is transferred to relevant parts of the organisation, saved and made sense of; To understand the followed up changes in offline and online marketing activities</td>
</tr>
<tr>
<td></td>
<td>To produce a cross case analysis and compare and contrast findings gathered from a cross section of SMEs; to triangulate and illustrate with social media data</td>
</tr>
<tr>
<td><strong>Summary of key questions</strong></td>
<td>Questions structured in accordance to the developed MIATSM model: How SMEs are creating and recognising knowledge? How Information of interest is transferred to relevant parts of the organisation and interpreted? What are the iterations in the marketing practices?</td>
</tr>
<tr>
<td><strong>Research Strategy</strong></td>
<td>Case Study Research: In-depth Interviews and Social Media Data; Thematic Analysis; Researcher's Notes</td>
</tr>
<tr>
<td><strong>Sample</strong></td>
<td>Owner-Manager/Employee responsible for social media planning and execution</td>
</tr>
<tr>
<td><strong>Research Instrument</strong></td>
<td>Semi-structured In-depth Interviews and secondary data</td>
</tr>
</tbody>
</table>
4.6 Generalisation of Findings

An essential first step of the actual data gathering process is to choose, contact and get access to organisations where an in-depth insight is likely to emerge (Langley and Abdallah, 2011). Interpretive research does not aim to validate findings in a positivistic sense, but to provide a better understanding of a social phenomenon (Johnson and Duberley, 2000). Hence, the sample is not representative and generalizable to the population, because the purpose of the research is to develop a theory, and not to test it (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). Every case is carefully selected by following purposive logic for multiple-case studies and not sampling logic (Yin, 2009). As claimed by Patton (2002, p.230) it is highly important to select “information-rich cases” “from which one can learn a great deal about issues of central importance to the purpose of the study”. Similar to laboratory experiments which do not follow sampling logic either, the cases are selected based on their potential to shed light on the researched processes (Yin, 2003).

The analytical generalisation is based on advancing the understanding through modifying, confirming or rejecting the developed MIATSM model (Yin, 2014). Hence the developed theoretical model is used as a template with which to compare the results of the case studies and to generalize findings (Yin, 2014). The importance of the theoretical model on the replication stage is crucial as it indicates the conditions under which a particular event occurs, by showing clearly the constructs and relationships (Yin, 2009). On the contrary, if a case is not fitting well with the theory, the theory should be modified to accommodate the discovered additional element (Yin, 2009).

Small samples and single cases have been shown to provide a rich understanding about various phenomena and to provide important findings (Ayuso et al., 2006; Deakins and Freel, 1998; Lawson and Samson, 2001; Lee and Slater, 2007; Mayer and Kenney, 2004; Teoh et al., 2008; Verona and Ravasi, 2003). The choice of cases, therefore, is based on contribution to theory, and cases would be carefully selected based on differences, and consequently predicted contrasting results (theoretical replication) (Yin, 2003; Eisenhardt & Graebner, 2007). The cases have been selected to contradict each other in respect to the developed model and the selection criteria (section 3.8.1.1 Justification of Factors of Variance). Thus, the sample consists of diverse SMEs, in order to show and extend
relationships, logic among constructs, and reveal the phenomenon through the help of the developed MIATSM model (Eisenhardt & Graebner, 2007; Yin, 2011).

Multiple-case designs allow for comparison along key constructs, cross-case analysis and the extension of theory (Miles and Huberman, 1994). The theoretical sampling approach “polar types” in which a researcher samples extreme (very high and very low performing) cases in order to more easily observe contrasting patterns in the data has been chosen (Eisenhardt & Graebner, 2007). It is expected that clear pattern recognition of the central constructs, relationships, and logic of the focal phenomenon will be uncovered. The comparative cases would allow a rich theory-building experience and will show the way that different firms learnt different things while involved in the social media market intelligence absorption and how the last led to different future marketing practices.

In the multiple-case approach there is no ideal number of cases, but between 4 and 10 is often recommended (Eisenhardt, 1991; Perry et al., 1998; Yin, 1994). For the purposes of theoretical replications, Yin (2014) recommends development of between two and three case studies, depending on the complexity of the external conditions or the theory. Five different case studies have been developed, discussed and justified based on the recruitment criteria below. If the gained insight is in some way contradictory, however, the developed theoretical model should be revisited and additional cases should be added (Yin, 2014).

4.7 Participants Selection

A detailed discussion and argumentation of the cases’ selection criteria is outlined in the present section. A mix of theory-based and criterion sampling has been employed, as discussed in section 3.8.1.1 Justification of Factors of Variance. SME literature shows that SMEs are a highly heterogeneous sector. For the purposes of achieving a theoretical replication, and based on an extensive literature review, it has been decided that diverse SMEs will be selected from a population of SMEs from the South East of England.

The South East England is one of the largest and strongest UK regional economies, with an annual economic output (GDP) or around €200b (2008) or around 14% of total UK Gross Value Added (GVA). It is one of the UK’s strongest regions in terms of innovation (Simmonds & Sidiqui, 2011).
The model will be applied to a comparative sample of (five) SMEs to explore and demonstrate the different processes and the effects that internal sense-making and learning from their social media use have on the reconfiguration of their future marketing operating capabilities.

4.7.1.1 Knowledge Intensive vs Traditional Industries

Two SMEs from knowledge-intensive, new, turbulent, dynamic industries have been selected. To reduce overgeneralization to all SMEs as they are a highly diverse group of companies, depending on the industry sector, as acknowledged in section 3.8.1.1 Justification of Factors of Variance, a second group of companies pertaining to general, stable industries has been also studied to ensure comparability of the results (Rutherford et al., 2000). It is believed that both types of cases are very informative, the ones where change intensively occurs as a result of the social media use and the consequent learning processes, and the ones where changes do not occur or at least not so intensely.

4.7.1.2 Company Age

There are differences in the market intelligence accumulation and integration processes taking place in established SMEs and in younger <5 SMEs, as acknowledged in 3.8.1.1 section Justification of Factors of Variance. Moreover, established companies need different dynamic capabilities than young ones (Zahra et al., 2006) and the nature of DCs is such that they develop gradually over long period of time (Liao et al., 2003; Cope, 2005). Therefore, participants from both age groups are studied with a particular focus on companies that had been in operation for more than five years (established companies). This criterion was included in order to eliminate those firms which were experiencing growth volatility and that could be attributed with the start-up phase, especially in the first four years of existence (Gilmore, Carson, & Grant, 2001; Storey, 1989).

Also, one young <5 y.o. start-up is included in the research participants’ set to explore the differences in relation to the processes of interest and the acknowledged in the literature inherent drawbacks and advantages of younger companies in relation to DCs development, such as:

- individualistic nature of the OM or severe time constraints (McCartan-Quinn & Carson, 2003; Wang & Chugh, 2014; Stokes, 2000), on one hand, and
• ability to absorb more information and reconfigure operations quicker (Reuber & Fischer, 1999; Sinkula, 1992, 1994; Zahra and Dess, 2001; Zahra et al., 2000), on the other.

Furthermore, it has been decided that at least one older SME, that has been established and operating for more than 10 years, also needs to be recruited. It is interesting to see how an older SME is adapting to the intense technological evolution in the past 10 years and particularly how social media has been incorporated into their existing marketing operations.

4.7.1.3 Company Size

The company size has been also identified as an important variable when selecting the participants. As discussed in section 3.8.1.1.3 smaller micro companies with less than five employees have been discarded from the participants sample set, as they would not provide rich understanding of the processes of interest. All the participant companies employ at least five people.

4.7.1.4 Social Media Usage

All participants should have been using social media from at least a year. They should participate in at least two of the big four social media networks (Twitter, Facebook, LinkedIn and Google+) with primary emphasis on Facebook, Twitter and LinkedIn. These were chosen as previous research indicates that SMEs find value primarily in LinkedIn, Twitter and Facebook (McCann and Barlow, 2015). However, it was decided that the research will consider the totality of the social media tools used, and not each tool in isolation, as SMEs might use many and various social media tools and apps in addition to the main and most popular ones, as also recognised by Razmerita et al. (2014). The participants should agree to provide the researcher with an access to their social media presence and content by connecting with the researcher; accepting the researcher as part of a group, subscriber or follower.

4.7.2 Final Sample Set

The goal was to select ‘information rich’ cases and to ensure variation, allowing the researcher to identify extremes (Yin, 2011). Participants have been chosen on a theoretical sampling basis to include different firms in terms of the identified factors, associated in
previous research with variance in the processes of information absorption, assimilation and exploitation and discussed in section 3.8.1.1 Justification of Factors of variance, such as: age, industry and size. It is believed that by selecting the cases on a base of differences in their size, age and industry dynamics, core themes, similarities and variance will emerge and will be compared and contrasted. This design will also give an opportunity to observe how the processes develop within the organisations and how the internal and external context/ factors synthesized might have influenced the processes under investigation. Thus, the research design helps in explaining the differences observed.

The Mint UK database has been consulted to identify the number of registered SMEs in the Solent area. Out of the 1371 SMEs in the Solent area, registered in the Mint UK database (“Mint UK”, 2014), five SMEs participants have been selected and recruited, and five case studies were developed, based on the criteria outlined above. The final sample set consists of:

- 2 x Established SMEs (at least 5 y.o.); size: >5 employees; industry: dynamic, turbulent, knowledge-intensive (information, communication, digital industry sectors)
- 2 x Established SMEs (at least 5 y.o.); size: >5 employees; industry: traditional (Stable) industries
- 1 x Young SMEs (up to 5 y.o.); size: >5 employees; industry: traditional and/or dynamic, knowledge-intensive (information, communication, digital industry sectors)

Five case studies of SMEs of different age, size and pertaining to industry sectors with different dynamics have been developed. It is believed that the final selection set of participants includes sufficient variation to explore patterns, to contrast and compare differences in their social media use, accumulation and incorporation into future marketing activities. Considering potential tradeoffs, the latter were reasoned as important advantages that compensated for the potential lack of generalizability gained from the use of larger samples (Langley, 1999).
4.7.3 Participants' Recruitment

Contact details of SMEs have been obtained at the PBS Hot Topic seminar “10 Essentials of Effective Digital Marketing” on 8th October 2014, and at a Speed Networking event took place at PBS on 26th February 2014.

Additionally, SMEs were looked up online on social media sites: Facebook, LinkedIn, Twitter, YouTube, Google+, and potential case companies that satisfied all the defined selection criteria listed below were identified. Snowball sampling was also used through recruiting participants among existing study participants’ acquaintances.

Difficulties in engaging small firms were encountered, as suggested also in research (Curran and Blackburn, 2001). Therefore, help and support in recruiting participants was also sought from the Centre for Research and Innovation (CERI), Purple Door, the Business School Knowledge Exchange Coordinator, the Head of the Marketing and Sales Subject Group, and the PBS Employability and Enterprise Coordinator. Other sources explored were the Entrepreneurs’ hub, ‘Innovation Warehouse’, local networking events and the researcher’s, and supervisors’ contacts. Additionally, businesses of interest were personally visited by the researcher to discuss possible participation.

The invitation letter and the participant information sheet, explaining the nature and the scope of the research project were also sent via e-mail to potential participants. Within a week, follow-up calls were conducted to discuss companies’ participation.

4.7.4 Sources of Evidence

To enhance the credibility of the study, it has been decided that the gathered data needs to be triangulated (Eisenhardt, 1989; Yin, 2009). Good case studies always aim at using as many sources of evidence as possible by accumulating rich data, in order to maximize the differences on one dimension and control the other dimensions (Eisenhardt, 1989; Yin, 2009; Ann Langley & Abdallah, 2011). The incorporation of various sources of evidence allows for multiple evidence collection in relation to the same phenomenon and enhances the construct validity of the study. Multiple data gathering techniques are recommended when conducting case study research (Eisenhardt, 1989; Yin, 1994) and also when researching networking processes (Hoang and Antoncic, 2003).
Hence, the primary data collection encompassed the following inductive data gathering methods: semi-structured, open-ended in-depth interviews, social media thematic analysis, the researcher’s notes, office visits and informal discussions with participants.

4.7.4.1 In-depth Interviews

Semi-structured interviews with SME owners-managers were conducted as they are acknowledged as the most important actors in the small firm (McKelvie & Davidsson, 2009; Zahra, Neubaum and El-Hagrass, 2002). Moreover, the owner is a key factor for technology adoption (Levy & Powell, 2005; Zeiller & Schauer, 2011) and for successful innovation (Knight, 1995; Cummins et al., 2000; O’Dwyer, 2009). Additionally, the influence of the top management on how the company is coping in dynamic environments is acknowledged as a critical factor, enabling firms to change through development of dynamic capabilities (Rosenberg, 2000; Zollo & Winter, 2001). Research on social media and the SME also confirms the crucial role of the owner as an initiator and a driving force for social media adoption (Meske and Stieglitz, 2013; Zeiller and Schauer, 2011). Therefore, the owner was the main source of data due to their key role in the small firm. However, additional interviews with other key stakeholders were also conducted, in cases where more than one actor was involved in the processes of interest or in case the owner was not involved at all in the organisational use of social media.

To gather an extensive understanding of the studied processes, a direct interaction with the participants was needed to investigate experiences, associations and explanations (Carson et al., 2001). In that way, an in-depth exploration of their experiences of market intelligence creation, recognition, gathering, transformation, and exploitation was performed. Getting as close as possible to managers allowed for an in-depth understanding of the exact practices in which managers engage (Watson, 1994). The semi-structured interviews gave the informants possibilities to “discourse freely on topics capturing [their] interest” (Johannessen & Dolva, 1995, p.369) and enabled an in-depth discussion. Thus, new and unexpected themes were also explored (Miles and Huberman, 1994) but however, by following the line of the research, and keeping the reliability (Yin, 2003).

An interview guide was also developed in accordance with the MIATSM model (see Appendix H). In that way, consistency of the data collected was ensured across firms by at the same time accounting for any new, interesting and unexpected findings which emerged (Carson et al., 2001; Derham, Cragg, & Morrish, 2011). The semi-structured nature of the
interview data allowed for flexibility of the content, in terms of customizing questions to the unique circumstances of each firm (Gilmore et al., 2001).

When constructing the interview guide, the researcher aimed at developing open questions, which are flexible, and allow for follow up questions if interesting findings occur or if there is a need to clarify and correct misunderstanding, through discussion (Robson, 2011). Open-ended questions also allowed predisposition of participants (O’Donnell & Cummins, 1999; Yin, 2011). Additionally, the researcher aimed at avoiding mentioning academic terminology such as the DCs concept, absorptive capacity, organisational learning etc. The researcher made sure to avoid confusing language and questions by constructing questions clearly and in a straightforward way. The researcher paid particular attention to remove cues, which may lead to particular responses and thus introduce bias. Therefore, the discussions as part of the interviews were dictated at a pace by the respondent, but the structure was ‘guided’ by the interview guide that was structured under topics derived from the MIATSM model (Figure 6, section 3.10)

In order to ensure that meaningful knowledge has been accumulated through the data collection, a rigorous process was adopted when developing the interview questions. The procedure was adopted from Mason (2002, p.72), in preparation for the qualitative interviews and applied in the context of the MIATSM model (see Figure 8).

**Step 1 – Global research topic**

How do SMEs use social media for market intelligence gathering, assimilation and exploitation in marketing?

**Step 2 – Research questions**

How do SMEs recognize, absorb, make sense and employ information from social media?

What are the organisational factors affecting the processes employed?

What are the implications for marketing activities development?

**Step 3 - Possible interview topics**

Background info

1<sup>st</sup> process – Recognition, Creation & Absorption

2<sup>nd</sup> process – Assimilation & Sense-Making

3<sup>rd</sup> process – Exploitation of Marketing Activities
Step 4 – Cross-referencing

Cross-referencing to ensure the research questions are in synchrony and help reveal the phenomenon and answer the big research question.

Steps 5 and 6 – Loose interview structure

The experiences in relation to social media use on a day to day basis

The perceptions of participants and particular practices applied

Step 7 – Cross-referencing

Cross-referencing in order to ensure that the interview structure is in synchrony with the big research question, thus ensuring the validity of the data gathered.

Figure 8 Overview of the planning and preparation for Qualitative Interviews. Adapted from Mason (2002, p. 72)

4.7.4.2 Research Diary

The researcher kept a research diary/notes, where interesting context, informal discussions, and how the research process evolved in general is outlined. Memos and annotations were also noted down during the data analysis with NVivo software.

4.7.4.3 Observation and Social Media Thematic Analysis

When analysing the participants’ social media practices, attention has been paid in understanding the first, the second and the third objectives of the research (see Figure 2, 3 & 5). Under the focus of the social media thematic analysis was how companies interact, create, recognise and apply new knowledge in their online and offline marketing practices.
The later corresponds to the first and third process of the MIATSM model. However, the social media thematic analysis has also been informative in the second stage of the research by providing an understanding of how participants are transferring knowledge to appropriate team members or departments in case they are using social tagging to engage or invite a particular member of staff into a discussion, for example or in case they are using social media technologies to share information internally between individuals/teams.

Particular attention has been paid to how exactly SMEs are executing their social media practices/altered strategies, which corresponds to the third process of the model or the actual exploitation of the changed routines (actual dynamic capabilities developed). Also, interesting discoveries/themes emerging during interviews were looked up and illustrated through examples of companies’ social media data. In that way, interesting practices, examples of DCs, missed opportunities or mismatch between what participants were reporting during the interview and what they were actually doing, were identified and triangulated with the interview data.

The social media thematic analysis was particularly useful in augmenting and enhancing the validity of the interview data. In that way, the researcher was able to identify gaps and contradictions between what has been said during the interview, and how social media has been actually used.

4.8 The MIATSM Model Application

In the adopted interpretative research design, the MIATSM model is seen as a “sensitizing device” to view the world in a certain way, in opposition to positivist research that aims at “falsifying” and testing theories (Klein & Myers, 1999, p.75).

The DCs concept, and in particular the developed MIATSM model was applied as an instrument that links the theory with the data in this under-researched area (Van de Ven, 2007) (see Appendix E, Figure 33). Thus, being guided by the developed MIATSM model (Figure 6, section 3.10), the researcher developed a standardized structure for cases (interview guide), selected the cases, collected the data, selected the research methods and analysed the data (within-case), wrote up the case studies, conducted cross-case analysis on the basis of the sub-topics and interpreted the data. Developed and presented in the Research Findings section, the within-case analysis (case narratives) follow the same flow,
and in that way, are comparable (Yin, 2009). The MIATSM model also guided the cross-case comparison of findings.

4.8.1 MIATSM Model Application in Data Collection

Guided by the MIATSM model (Figure 6, section 3.10), the developed five case studies illustrated the processes, used to seize learning from social media, the process used to make sense of that learning, and lastly how that sense-making was exploited in terms of reconfiguration of marketing operating capabilities in five different in terms of age, industry and size SMEs from the South East of England.

The researcher developed a standardized interview guide (Appendix H), structured under MIATSM model processes and constructs.

In order to achieve an in-depth understanding of the development and execution of the knowledge-based processes of absorptive capacity development, it was very important to account for the external and internal factors affecting its development. As indicated in the MIATSM model, the key conditions that enable interactive learning processes are the exogenous conditions, of which a company usually does not have control but instead has to sense and react to:

- market dynamism,
- triggers (if exogenous),

and the endogenous conditions, of which company has greater control and influence:

- trigger (if endogenous),
- background/prior knowledge,
- resources,
- actors,
- structure & systems,
- internal culture.

The latter factors and conditions have been investigated at the operating capability level of daily social media use, in order to achieve an in-depth understanding of the first two learning processes; the third process is understood through the actual change in operating capabilities.

Data have been collected through interviews with key informants within each case company and triangulated with social media data, work environment observation and
informal discussions with employees. The interview participants were selected as they were the ones responsible for organisational social media use and were well positioned to elaborate on the processes of interest both on an operating and a dynamic capability level.

In order to draw inferences about how social media intelligence empowers the interactions between operating and dynamic capabilities and how the latter affect organisational marketing evolution, this research consisted of four phases, depicted in the MIATSM model:

1. The organisational background was developed using the MIATSM model in order to better understand context, market dynamism, triggers for social media use, and prior knowledge.
2. An understanding of how absorptive capacity processes took place at the operating capability level through the daily use of social media was developed by focusing on knowledge recognition and absorption and the enabling/hampering conditions.
3. Following on from the above, assimilation and sense-making processes were explored by again considering the enabling/inhibiting conditions.
4. Lastly, the transfer of the learning to a higher-order dynamic level, and its exploitation in terms of changed marketing routines were investigated, followed by an exploration of how they affected, as a result, subsequent organisational marketing choices seen as a dynamic capability.

The researcher built their understanding through the use of the MIATSM model, identifying patterns in case study companies’ marketing choices that were a result of social media use.

The data collected was coded under key constructs of the MIATSM model: absorptive capacity on the operating and dynamic capability levels. The analysis examined each construct of the model separately, and then how the three routines developed over time and enabled marketing evolution.

**4.8.1.1 Prior Knowledge, Market Dynamism, Triggers of Social Media Use/Company Background**

Firstly, the interviewees were asked to provide information about the nature of their business (company size, history, products, markets, mission, vision, values etc). Then, the participants were asked if their organisations have written strategy, marketing strategy, and
if yes, what are their main objectives. Other questions assessing prior related knowledge that were explored were:

- how do they win business?
- in what way was their prior knowledge/history researched?
- what were participants’ perceptions of the extent to which their organisation possess advantage?

Afterwards, the interviews proceeded with questions about when and how social media has been introduced to the company:

- what are managers’ and employees’ attitudes toward it?
- which platforms are currently used?
- what (if any) strategy/objectives are SMEs pursuing in relation to their social media practices?
- do they consider social media central to their marketing?

Lastly, data about their external market dynamics was collected and about how they detect and respectively adjust their business practices to changes in their market place:

- have there been any changes in the market intelligence gathering practices employed?
- what triggers revision in their practices?
- what changes do they face in their industries?
- what type of competencies do they need to adjust to these changes?

**4.8.1.2 Recognition, Absorption of Market Intelligence (Exploration)**

The second stage of the research was focused on achieving objective one: the process of explorative learning or information gathering from social media. Data was collected on how the process of absorptive capacity (operating capability of social media use) is triggered, whether through exogenous shocks/market dynamism or endogenous entrepreneurship. At that stage of the research, the knowledge creation and absorption processes were explored, or so-called in the literature, learning on an operating level through the accumulated market intelligence.

In order to obtain an extensive understanding of the organisational context in which this first process of knowledge acquisition is taking place, topics which were explored were
structured around the DCs building blocks, and enabling conditions synthesized from the literature: organisational culture, structure and systems, actors, resources.

**Culture:** Typical questions concerned: what are employees’ motivations? what are the guiding principles? are there any organisational policies regarding the use of social media? what type of data is of interest? how have problems been dealt with? how have employees been motivated to contribute?

**Structure and Systems:** Themes that researched were: Information monitoring, distribution to relevant parts of the organisation; social media use for internal communication;

**Actors:** Typical questions were: who are the organisational actors responsible for social media use? how exactly are responsibilities, such as planning, executing, content creation, monitoring and evaluation shared?

**Physical Resources:** Participants were asked about particular physical resources dedicated to the researched first process (people, software, suppliers, budgets).

Once thorough understanding of the organisational context was developed, the data gathering proceeded with investigation of the three learning processes associated with the formation of DCs.

### 4.8.1.3 Assimilation, Sense-Making (Transformative Learning)

At the third stage of the research, objective three was researched, in other words, the transformative learning process, or the process of acquiring knowledge for interpretation and understanding. The focus was laid on in-depth exploration of the processes of making sense and transferring the learning from an operating level to a higher-order dynamic capability level; how the information acquired is understood and made sense of and how it is contributing (is translated) to actual marketing activities through the process of marketing activities planning. This process of learning was explored in terms of internal exploitation and sense-making of the acquired information in the SME marketing context.

Similarly, as in the first stage of the research, data was collected about the role of the DCs building blocks in the discussed process (organisational culture, structure and systems, actors, resources) in order to obtain a full picture of the organisational context in which this third process is taking place.
**Culture:** What are the guiding values, assumptions, beliefs that underpin the sense-making process?

**Structure and systems:** How and in what part of the organisation does the understanding emerge? how it is transferred across departments (or from individual to collective level) and integrated within existing routines and knowledge and how/where is it stored?

**Actors:** Themes explored were: how do SME owners perceive and make sense of the market intelligence gathered? who are the other actors involved, and how are they involved in this process?

**Physical resources:** Resources involved in the second learning process, such as: software, meetings, time dedicated, budgets.

The second and the third stages of the research are focused on investigation of topics, related to operating capability level in each of the studied companies. Consistent with Winter (2003), social media use is seen as an operating capability. Hence, conclusions were drawn about the role of absorptive capacity at the operating capability level in the studied SMEs.

4.8.1.3.1 **Performance Measurement/Technical Fitness**

In that stage of the research, themes about the technical fitness of the performed operating capabilities were also investigated in terms of understanding how social media use is evaluated and understood in terms of social media performance measurement. Themes about objectives/KPIs achievement and evaluation were explored, as well as particular challenges encountered.

4.8.1.4 **Exploitation**

In the fourth stage of the research, objective four was explored, namely the exploitative learning process and how it affected subsequent marketing development choices.

The aim at that stage of the research was to understand the processes of exploitation of the developed learning by studying how marketing activities/tactics have evolved as a result, and how the last affects the operating capabilities of online and offline marketing, namely what actions have been undertaken in response to the knowledge gathered and filtered. The latter is seen as a dynamic capability. As discussed in the theoretical framework section, the DCs are measured through the so-called evolutionary fitness, which means the degree of change that occurs in the operating capabilities. These changes might vary from minor
iterations and adaptations of practices, to complete change or even suspension, known in the DCs literature as unlearning of routines.

Themes about participants’ perceptions of intangible resources (VRIN) developed as a result of the social media use were also explored at that stage, and how, if at all, these developed intangible resources link to competitive advantage. Other questions at that stage of research included: what new understanding emerged and what actions have been taken as a result? what degree of change arose in their marketing as a result?

Lastly, the question of whether participants are able to implement changes simultaneously while managing present online and offline marketing operations (known as ambidexterity capability from the DCs literature) were also investigated.

By following the outlined structure for case studies development the data was collected and transcribed, and then case study narratives were developed that are presented in the next section. The data analysis procedures applied are further discussed in the data analysis section. See the interview guide in Appendix H.

The constructed interview guide contains 43 open-ended questions, structured in accordance the MIATSM model constructs. The questions were adapted from previous seminal research as follows:

Questions on prior knowledge and company background internal culture and climate were adapted from: Sinkula et al., 1997; Cohen and Levinthal, 1990; Day, 1994; Jaworski and Kohli, 1993; Keh et al., 2007b; Kohli and Jaworski, 1990; Slater and Narver, 1995b; Zollo, Maurizio; Winter, 2002;

Questions on absorptive capacity construct and DC development were developed on the basis of past studies by: Ambrosini and Bowman, 2009; Cohen and Levinthal, 1990; Liao et al., 2003; Newey and Zahra, 2009; Sinkula et al., 1997; Todorova and Durisin, 2007; Yli-Renko et al., 2001; Zahra and George, 2002;

4.9 Pilot Test of the Interview Guide

In order to ensure that all the possible data collection problems which might have affected the research process, validity and reliability, were encountered before the actual data collection started, a pilot study of the interview guide was firstly conducted. Testing the interview guide is considered crucial and an essential element of the research design. Additionally, the pilot study helped refine the interview guide both in terms of structure,
content and procedures and to ensure that the collected data would be relevant to the objectives of the study (Yin, 2003).

Companies for pilot study were contacted by the researcher on 26th February 2015. Three pilot studies were conducted to test the interview guide for the in-depth semi-structured interviews. The first pilot interview was conducted on 11th March 2015. The company chosen is a small digital agency operating in the South East of England. The company is a digital agency that is three years old. The interviewee was the owner-manager.

Following the first pilot test of the interview questionnaire, a few changes in the questions were made. The interview guide was shortened due to repetition of similar questions, and in that way the interview duration was also shortened from one and a half hours to approximately one hour.

The second pilot test of the interview was conducted on 19th March 2015. It helped the researcher immensely to develop confidence by uncovering some very interesting findings. The second pilot test of the interview guide also enlightened the fact that companies to a great extent do not realise the impact that the accumulated market intelligence has on their marketing activities. Additionally, after the interview the participant shared that they realised what they should be aiming to achieve with their social media use. After the interview, the participant sent a message to the researcher with examples of impact and changes in marketing practices following market intelligence delivered from social media. Therefore, the interview had an impact on the participant in enhancing their understanding of the implications that social media has on their marketing and product development. The text of the message is as follows:

“Hi [name of researcher], I just remembered something very important: a new type of pension called UFPLS created a new awareness & demand recently on social media. [name of company] has responded by creating a new software to administer this pension. You can keep this text message if you want. See you soon. Regards V.”

The third pilot test was conducted in April 2015. This pilot test showed that no new amendments of the questionnaire were needed and the researcher could proceed with actual data collection.
Table 5 Pilot Test Participants Details

<table>
<thead>
<tr>
<th>Pilot Cases</th>
<th>Company Info</th>
<th>Interviewees’ Job Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot 1</td>
<td>Digital Services Agency</td>
<td>Owner-Manager</td>
</tr>
<tr>
<td>Pilot 2</td>
<td>Technology solution provider and business consultancy</td>
<td>Marketing Executive</td>
</tr>
<tr>
<td>Pilot 3</td>
<td>Cloud Storage solution</td>
<td>Digital Marketing Manager</td>
</tr>
</tbody>
</table>

4.10 Data Collection

The in-depth interviews were conducted with owner-managers and social media managers within the case companies as well as any other employees who might be involved in organisational social media use. The interviews were one-to-one or joint (group). The interview duration was typically between 40 mins and 1 hour 30 mins. The majority of the interviews (except one) were conducted at the firm’s offices. The latter allowed the interviewer to conduct the interview within a natural context, and to capture the business context of each firm, and also to draw upon other sources of evidence, such as documents, and other marketing materials. Other sources of evidence collected were e-mail conversations, observations and analysis of social media practices, informal meeting with employees, researcher’s notes. Thus, data triangulation was ensured (Yin, 2009).

The interviewer conducted field visits for conducting the interviews, however one of the companies was geographically dispersed, and the interview was arranged at a mutually convenient place, i.e. Portsmouth Business School. For information about case companies selected and a summary of details see Table 6; see also Table 7 for sources of data and interviewee job roles within each case company; see Table 27, Appendix I for owners’ characteristics.
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<thead>
<tr>
<th>Nr</th>
<th>SME Name</th>
<th>Age</th>
<th>Sector</th>
<th>Industry</th>
<th>Nr of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 x</td>
<td>Established</td>
<td>&gt;5y.o.</td>
<td>B2B / B2C</td>
<td>(Knowledge-Intensive; dynamic, information, communication, digital industry)</td>
<td>&gt;5</td>
</tr>
<tr>
<td>1</td>
<td>Company A</td>
<td>2001</td>
<td>B2B</td>
<td>One of the fastest growing digital agencies in the South of England. Social Media is a core business</td>
<td>49</td>
</tr>
<tr>
<td>2</td>
<td>Company B</td>
<td>2008</td>
<td>B2B / B2C</td>
<td>Events management (road markets, music festivals) prints, clothing, media, news</td>
<td>5</td>
</tr>
<tr>
<td>1 x</td>
<td>Young micro</td>
<td>&lt;5 y.o.</td>
<td></td>
<td>Knowledge-Intensive</td>
<td>&gt;5</td>
</tr>
<tr>
<td>1</td>
<td>Company C</td>
<td>2012</td>
<td>B2B; B2C</td>
<td>Charity Foundraising; Marketing and Events Services</td>
<td>5</td>
</tr>
<tr>
<td>2 x</td>
<td>Established</td>
<td>&gt;5y.o.</td>
<td></td>
<td>General/Stable Industry</td>
<td>&gt;5</td>
</tr>
<tr>
<td>1</td>
<td>Company D</td>
<td>1947</td>
<td>B2B</td>
<td>Mechanical and Industrial Engineering; Mailing and Packaging Industry</td>
<td>150</td>
</tr>
<tr>
<td>2</td>
<td>Company E</td>
<td>1989</td>
<td>B2B</td>
<td>Events and Magazines publishing business, primarily specialising in the marine sector</td>
<td>56</td>
</tr>
<tr>
<td>Cases</td>
<td>Additional Sources of Information</td>
<td>Job Role</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company A</td>
<td>Social Media data &amp; office visits &amp; informal discussion with employees</td>
<td>Head of Mkt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company B</td>
<td>Social Media data, office visits, markets/events visits, informal discussions</td>
<td>Owner-Manage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company C</td>
<td>Social Media data &amp; office visits &amp; informal discussion with employees</td>
<td>Owner-Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company D</td>
<td>Social Media data + informal discussion</td>
<td>Human Resource &amp; Mar</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company E</td>
<td>Meeting / discussion with Board of Directors &amp; Group Discussion &amp; office visits &amp; Social Media data</td>
<td>Head of PR and Commur</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.11 Analytical Strategy

In this section, the analytical strategy developed for the data analysis is outlined. The analytical strategy helps to treat the gathered evidence similarly, to eliminate bias, to produce analytic conclusions, and to rule out alternative interpretations. Moreover, the analytical strategy helps to ensure internal and external validity (Miles & Huberman, 1994).

4.11.1 The MIATSM Model Application in Data Analysis

Data analysis is at the heart of building theory from cases and is the most difficult and complicated part (Yin, 2009). Theory development is an essential instrument in this case study research and guides both the collection and the analysis of the data (O’Donnell et al., 2001; Yin, 1994). As a result, the data analysis represents a constant interplay between the collected data and the developed MIATSM model.

The qualitative data package QSR NVivo (version 10 and 11) have been used to support and facilitate the process of coding, categorizing and analysing the large amounts of narrative text that is expected to be collected. An on-going analysis of the data using thematic analysis has been performed. The interviews were transcribed first by the help of a professional transcriber and then proofread by the researcher. Then, the interviews were coded with NVivo software. Categories were set up in NVivo in accordance with the MIATSM model’s components. The coding has been performed with the aim of identifying the constructs, themes and patterns underlying the phenomenon and its constructs as depicted in the MIATSM model (Braun and Clarke, 2006; Ezzy, 2002).

In accordance with the interpretivist epistemological perspective of the research, the researcher applied analytical induction. The data have been coded in accordance with the constructs outlined in Figure 6, section 3.10, the MIATSM model. The researcher was guided by the data and looked how it connects with the model (concepts such as absorptive capacity and dynamic, and operating capabilities, and their underlying constructs as per the developed MIATSM model). Therefore, the researcher has drawn a logical inference that goes from an observation to theory.

The process of data collection and analysis was simultaneous, and in that way the developed theory was grounded in empirical evidence and developed in an iterative manner (Hartley, 2004). The researcher aimed at listening to the audio-textual recordings
of all the interviews, and the notes taken on the same day of the interview in order to add important comments, impressions, and context. Data were analysed and interpreted as soon as collected in light of the different context of each research setting (Carson & Coviello, 1996). The tools that were used to analyse the qualitative data noted key phrases, word repetitions, patterns and themes, matching with the MIATSM model processes and constructs researched, and if not matching, the researchers was open to unexpected findings.

Additionally, principles three, five and seven of Klein and Myers (1999) for evaluating interpretive research were taken into consideration as they inform how social construction of data is addressed (Klein et al., 1999).

- Principle 3 – The principle of the hermeneutical cycle or how the collected data is socially constructed. This helps to analyse the gathered data as it highlights the importance of the inclusion of situated social actors in the context and being sensitive to differences in interpretations. The aim is to show that the subjectivity of the interpretation is actually how the meaning is constructed and understood in the real world by the actors. The role of the researcher in that stage is to choose and use engaging data gathering methods that make it possible for the researcher to fully understand and get involved in the researched process.

- Principle 5 – The researcher was sensitive to contradictions and conflicting findings between theoretical preconceptions and findings.

- Principle 7 – The researcher was sensitive to biases and distortions in the narratives. Conclusions are not based on limited data or influenced by high-ranking and influential participants’ beliefs. Also, it is clearly indicated that the theory is used as a ‘sensing device’ and that the theoretical framework developed is flexible enough to account for and accommodate unexpected findings.

It is believed that systematically undertaking the above steps allowed relationships between categories to be uncovered and enabled the development of coherent theory of the studied processes by looking for relationships and implications, and not just describing the studied processes.
4.11.2 Social Media Thematic Analysis

Simultaneously with the interview data analysis, data was extracted from companies’ social media accounts from when the account was created until April 2016 and thematically analysed. The data was sourced from organisational social media accounts in major networks (Facebook, Twitter, LinkedIn, blogs) and also from any other form of social media that is used by the particular SME, from the moment the account was created. Therefore, a variety of sources of data was explored in order to understand the researched processes. The massive amount of data gathered and brought together impaired the performance of NVivo (1.82 gb) and caused delays in data analysis and the need to use multiple devices (PC and Macbook to analyse the data).

Interactive content in multiple formats – such as text, image, audio, video – was downloaded and analysed with the help of NVivo, which allows for flexible organisation of such diverse data. NVivo served as a valuable tool to organise and display the data in a format which allows further analysis to be drawn, and thus enhanced the credibility and robustness of the research. The data was organised in folders, named nodes, that were analysed and linked together in relationships.

The thematic analysis is defined in the literature as “a method for identifying, analysing and reporting patterns (themes) within data” (Braun & Clarke, 2006, p.79). The thematic analysis is appropriate within the constructionist paradigms (Braun & Clarke, 2006). The thematic analysis enabled the researcher to gain an understanding of the researched processes within their particular context (Loffe & Yardley, 2004).

Initially, thematic analysis of social media data was conducted in order to develop an in-depth understanding of the researched setting and ensure it satisfies requirements for participation in the research. For the purpose of thematic analysis, the predefined list of codes was used based on the MIATSM model’s categories, where the interview data was coded. The social media data provided additional insight and strengthened the research’s findings, finding discrepancies between what is said and done.

A theoretical thematic analysis was performed, defined by Braun & Clarke (2006, p.12) as: “... a ‘theoretical’ thematic analysis would tend to be driven by the researcher’s theoretical or analytic interest in the area, and is thus more explicitly analyst-driven. This form of thematic analysis tends to provide less a rich description of the data overall, and more a detailed analysis of some aspect of the data ... You can either code for a quite specific
research question (which maps onto the more theoretical approach) or the specific research question can evolve through the coding process (which maps onto the inductive approach).”

4.11.3 Data Analysis Code Book

The purpose of documenting a code book for the data analysis stage of the research is to demonstrate that the coding process undertaken is universal for all five companies, and that all coding is performed repeatable and in a clear manner consistent with the code book.

The transcribed interviews and the downloaded social media content were uploaded and organised under case company name in NVivo. The social media data was coded under the MIATSM themes via NVivo and then compared and integrated with the interview data. Themes were developed from the data and then tested correlated against the MIATSM model. Coding is the organisation of raw data into conceptual categories. As Miles and Huberman (1994, p.56) note: “Codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes are usually attached to ‘chunks’ of varying size – words, phrases, sentences or whole paragraphs.”

NVivo is an appropriate software package to assist in the interpretation of the text and inter-relationships between codes. The data were examined to derive the nodes and to link and assign them to the MIATSM model categories. The employed data analysis procedures consisted of three phrases as recommended by Miles and Huberman (1994), and are discussed below.

4.11.3.1 Data Reduction

This is the process of bringing together and organising all the data collected from various sources – interview transcripts, researcher’s notes, observations, social media data.

The main processes of the MIATSM model and underpinning factors (hampering or enabling) were coded. The data gathered by the conducted interviews, researcher’s notes and social media thematic analysis were brought together and a search for inconsistencies and alternative explanations was conducted. The researcher reviewed the data and looked for emergent key themes in relation to the researched DCs constructs, depicted in the MIATSM model. Data was collated to each code and codes were collated into themes (the three learning processes).
The data analysis process was iterative and not linear. Social media posts were reviewed manually and coded in respective categories in accordance with the MIATSM model. The researcher looked for support or respectively mismatch of interviewees’ claims and themes emerging in the interview data (What participants think they do? What they actually do?). In that way, the interview data was validated/triangulated with the social media data. In that way, the relativity of the data was examined. The various data coded enabled triangulation of the data which further enhances the trustworthiness in the analysis.

Selection of vivid, compelling extract examples was performed, followed by a final analysis of selected extracts, relating back from the analysis to the research question and literature, coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code. Also at that stage, screenshots and pictures were coded, as reminders about events.

At that stage of the coding, the researcher also aimed to relate certain codes together under more general codes, in order to reduce the initially numerous sub-codes developed (known as over-coding). Also, where possible, the researcher reorganised codes and identified relationships.

Thus, collected data, the theoretical framework and findings were reviewed multiple times. The thematic analysis of the social media data was particularly time consuming due to the amount of data available. The process was structured as illustrated in Figure 9:
Figure 9 Iterative Process Followed for Data Analysis. Source: Author

- Familiarising Yourself with the Data
- Assigning data to refined concepts to portray meaning, transcribing data, reading and re-reading the data, noting down initial ideas (keeping a research diary, memos, annotations)
- Gathering all data relevant to each potential theme; refining and distilling more abstract concepts
- Assigning data to themes/concepts to portray meaning
- Searching for new themes, potential themes, word frequencies, word clouds, text searches
- Generating themes and concepts, Extracting deeper meaning, drafting summary statements and analytical memos through NVivo
- Ongoing analysis to refine the specifics of each theme, and synthesize of themes
- Producing the Case Study Narratives
- Producing the Cross Case Analysis
The data was organised in codes and memos and annotations were used to indicate initial connections between data (see Appendix S, Table 31). Irrelevant information was discarded.

The MIATSM conceptual model has been brought together to provide an in-depth understanding of the studied processes. The structure for data analysis was in accordance with the MIATSM model. Key phrases, words and patterns were searched and coded, in accordance with the researched processes, as follows:

**Background Information**
Firstly, codes/nodes containing information about organisational prior knowledge, market dynamism and triggers of the processes of social media use have been developed and relevant information from interview transcripts has been coded under each construct of the model.

*Then, codes/nodes were set up, where interview data was coded for the constructs of absorptive capacity (the three knowledge-related processes)*

The key resources/building blocks (actors, resources, culture, systems and structure) helped in the formation of the sub-categories. Then, relevant parts of the interviews were coded under each topic and respective building block/enabler.

*Then, the processes of explorative and exploitative learning were coded: the process of operating capability of social media and the process of transfer and transformation of the learning from operating level to higher-order dynamic capability level, the marketing practices planning.*

Similarly, as in the previous stage of the research, relevant information was coded under each construct of absorptive capacity at operating capability level. To be included, the text should have contained themes related to discovery, development or trend, through the gathered market intelligence by the use of social media. Each construct/routine of absorptive capacity was examined separately, and then their mutual development over time was examined.

*Then, the transfer of the absorptive capacity at a higher-order dynamic capability level and knowledge storage procedures were analysed.*
Lastly, the process of exploitative learning was researched: the innovative capability or how operating capabilities of offline and online marketing have been altered as a result of the interaction between operating and dynamic capabilities.

In the process of marketing activities planning, something was considered dynamic capability if it changes, creates or extends marketing operating capabilities, through VRIN resources and abilities.

### 4.11.3.2 Data Display

Developing and presenting only a narrative for each case is considered impractical, especially when multiple case studies are developed (Eisenhardt & Graebner, 2007). Therefore, data displays are also produced, such as: matrices (cross-case queries), word clouds, word trees, word frequency, explore diagrams, comparison diagrams, project maps and concept maps, supported by empirical evidence, pictures, screenshots and pie charts. NVivo has the functionality to produce such visual representations and help better illustrate trends and patterns among the data. In that order, also the rigour, the depth of the data, and the empirical grounding are better demonstrated and visualised (Miles & Huberman, 1984). As a consequence, coding categories were reduced, merged and re-grouped.

To draw conclusions from the mass of data, Miles and Huberman (1994) suggest that a good display of data, in the form of tables, charts, networks and other graphical formats is essential. This is a continual process, rather than just one to be carried out at the end of the data collection. As argued by Miles and Huberman (1994), displaying data adds to researcher’s understanding and for presentation of conclusions from the data: “You know what you display” (p. 91). In displaying data, the researcher moved from describing to explaining, through a “ladder of abstraction.”

The principle of thematic network suggested by Attridge-Sterling (2001) was followed. The researcher proposes that thematic analyses can be usefully aided by and presented as thematic networks. Thematic networks are web-like illustrations that summarize the main themes constituting a piece of text, and are a robust and highly sensitive tool for the systematization and presentation of qualitative analyses.

A visual representation of the structure of a thematic network according to Attridge-Stirling (2001) is set out and presented in Figure 10. It signifies how basic themes are derived from
the textual data at the lowest level, which on their own say very little about the text as a whole. In order to “make sense beyond its immediate meaning”, a basic theme must be considered among the context of other basic themes and the organising themes. Through the MIATSM model which acted as an overarching macro theme, basic micro themes were synthesized and summarised and made sense of.

**Figure 10 Structure of a Thematic Network. Adapted from Attride-Stirling (2001, p. 388)**

![Thematic Network Diagram](image)

### 4.11.3.2.1 NVivo Word Frequencies Support

The social media data was examined for similarities and contradictions with the interview data through NVivo’s word frequency and text search queries. The word frequency query was particularly useful in highlighting the most frequently used words and themes appearing in participants’ social media content.

With the help of the word frequency analysis, a link between the level of learning and use of social media was established, by examining how the words used linked to mission and vision, strategic direction of the company: are they self- (brand, product, company) centered or do they include a prevailing proportion of action verbs and topics of interest/value to customers (customer-centered).
4.11.3.2.2 NVivo Matrices
The matrices included in the cross-case analysis (Chapter 10) were developed through the NVivo matrices function and represent the number of data instances coded. The matrices demonstrate the number of coded references (prompted and unprompted) that came up during the analysis. They represent to what extent the phenomenon/processes of interest are reflected at each of the researched cases, and not absolute numbers. They also demonstrate the higher level of coding and analysis performed. Through the latter NVivo’s functionalities, the rigour of the study was enhanced and subjectivity was taken away; findings were also clearly demonstrated and confirmed by the various data coded. To support the cross-case analysis, matrix displays are developed with the use of NVivo. Matrix displays are an extremely useful way of detecting patterns in data (Bazeley, 2009). The numbers obtained through the use of NVivo software represent patterns in the data and not absolute numbers. To show the level of coding that the researcher performed, project maps and explore diagrams were also developed.

NVivo enables the researcher to “engage more meaningfully in the analysis process” (Sotiriadou et al., 2014, p.220). Although NVivo is claimed by some researchers as labour-intensive software, the software is a means of “time-honoured ways of learning from data”, and it “increases the effectiveness and efficiency of such learning.” (Bazeley & Jackson, 2013, p.2).

4.11.3.2.3 Conclusion Drawing/Verification
The analysis of the data performed allowed the researcher to begin to develop conclusions. Once the first two stages of coding had been completed, the researcher started to look for patterns and explanation in the codes. Patterns and themes emerged and were generalized in accordance with the theory, followed by concepts, relationships, and hypothesis shaping (Eisenhardt, 1989). Thus, observed empirical events were transferred to theoretical contributions and validation of the developed model. Through themes and pattern matching, the explanation of the process was built by constant within-case and then cross-case synthesis and searching for relationships. An iterative process of case comparison was executed until a set of constructs which might explain similarities and differences began to emerge (Eisenhardt, 1989). In that way, the findings derived are comparable, and confirm or disconfirm the developed theoretical framework constructs (Yin, 1984). The gathered data was analysed to see how the findings informed the theory, and then the theory was applied to other similar cases. As a result, linkages were established between the
organisational specific social media practices and the resulting marketing capabilities across firms.

The nodes (themes) were constantly reviewed for consistency and an iterative process was followed throughout the data analysis. The researcher ensured that the codes were valid, mutually exclusive and exhaustive, as recommended by Miles and Huberman (1994) by checking that each relevant statement was organised under its appropriate code and by performing multiple coding. The researcher also aimed at the second stage of coding to relate certain codes together under more general codes, in order to reduce the initially numerous sub-codes developed. Also, where possible, the researcher reorganised codes and identified relationships.

In total five rounds of coding were completed (see Appendix S, Table 31, Table 32, Table 33 for NVivo coding framework at stage 1, stage 3 and final stage 5).

The researcher aimed to develop a strong argument, supported by the data. Thus, links were established between processes taking place in each of the studied firms and the dynamic capabilities across firms. Differences and similarities across different SMEs were compared and contrasted and relationships were uncovered, discussed and are presented in the cross-case analysis chapter. The researcher also looked for data that is contradictory, as well as confirmatory, as it is important not to be selective in choosing data. The researcher also identifies and explains contradictory cases and refutes them. The researcher was aware of confirmation bias, or the tendency to seek out and report data that supports one’s own ideas about the key findings of the study and the researcher aimed to minimize this with triangulation of various sources of data.

Finally, within-case and cross-case analysis were performed, in order to derive meaningful comparisons of both cases and constructs (Eisenhardt, 1989; Miles and Huberman, 1994; Yin, 2009). The juxtaposition of conflicting results also enabled a more creative mode of thinking. Qualitative narrative examples of high performing and low performing cases were produced and explanation about why the observed relationships exist developed and are presented in the Research Findings chapter.

The model was robustly tested in different environments (the five case studies) until theoretical saturation was reached, wherein no new insights were gained (Eisenhardt, 1989; Strauss & Corbin, 1990). The sample of five cases enabled detection of consistent patterns across the five cases and increased the researcher’s confidence and understanding of the
researched processes. The saturation was organically reached against the model’s processes.

4.12 Reliability

The MIATSM model enhanced the validity and reliability of the study by providing categories to look for when analysing the collected data, and thus prevented misunderstanding, oversimplification or incomplete understanding.

The reliability of the study was also ensured by following Yin’s (2003) recommendation for creating a case study database that was developed through using Nvivo software, using multiple sources of evidence and maintaining a chain of evidence. The last means that on the basis of the collected evidence, clear well-evidenced steps were followed and outlined which led to the drawn conclusions (Yin, 2003). Sufficient and meaningful links to evidence and the theoretical model were illustrated (Riege, 2003). The case-study database – in the case of the current research NVivo software – helped to structure and organise the collected data, and thus parallelism of the findings was ensured (Yin, 1994). Clear cross-referencing to evidence and methodological procedures were also established, ensuring a chain of evidence and ability to trace back the steps undertaken in both directions. For this purpose, interviews were also audio-recorded. The standardised structure/interview guide helped in minimizing bias. Three pilot studies were also conducted in order to refine the case protocol (interview guide), its content and structure (Eisenhardt, 1989). The rigorous process that has been employed helped to eliminate the subjectivity in findings. Moreover, multiple coding has been performed of a sample of the data by the researcher’s supervisors that further contributed to the enhancement of the reliability of the study by confirming that all the cases have been treated equally (further details provided in next section 4.11.1).

4.12.1 Multiple Coding

In order to address the subjectivity in data analysis, the researcher’s supervisors independently cross checked the coding strategy, the coding framework developed by the researcher, and the interpretation of data undertaken, as recommended by Campbell, Quincy, Osserman, & Pedersen (2013). The multiple coding achieved substantial agreement mainly due to the fact that the MIATSM model clearly guided the process, and therefore reduced subjectivity and enhance reliability and validity. However, some alternative explanation emerged and insightful discussions were conducted among the
researcher and the supervisory team. All contributing to dynamic capabilities’ development context factors have been cross-checked by the researcher’s supervisors to ensure accuracy between nodes, coded data and MIATSM model. The coding of each transcript has been carefully compared in order to attain reliability through discussion. It has been identified that some of the data was over-coded and some of the codes were reviewed and grouped together under more general codes, in order to reduce the numerous sub-codes developed. In that way, it was ensured that the codes generated are valid and mutually exclusive. The discussions between the investigators were conducted in the spirit of the devil’s advocate, aiming to induce all possible alternative explanations, prevent bias and false conclusions and achieve consensus. Alternative explanations were accepted/rejected based on their consistency with the theoretical logic of the MIATSM model, however by staying open to a possible emergence of new constructs/concepts. As a result, all possible discrepancies have been resolved, some of the codes have been revised, and subjectivity have been removed. Being guided by the MIATSM model, the data was examined for the emergence of both well-established constructs and emerging ones. The coding relied on the constant comparative method, whereby newly coded text is compared to previously coded text and to MIATSM model to ensure that the emergent constructs maintain their integrity (Strauss and Corbin, 1998). Thus, ensuring that the outcomes of the internal processes under investigation are correctly coded.

An iterative, transparent and systematic process of data collection, analysis and theory-building continued until an in-depth understanding emerged across the different absorptive capacity episodes at the five different case companies’ contexts. The established intercoder reliability and agreement is considered a very important tool for enhancing reliability (Campbell et. all., 2013).

4.13 Validity

Maxwell (1996, p.87) defines validity as “the correctness or credibility of a description, conclusion, explanation, interpretation, or other sort of account”. Maxwell (2009) introduces seven strategies for addressing the issue of validity in qualitative studies that are taken into consideration and applied in the present study.

- Intensive involvement – In-depth interviews with management employees/owners involved in social media were conducted in order to develop a complete and in-
depth understanding. In addition, the researcher observed participants’ social media practices and conducted a thematic analysis.

- “Rich” data – The researcher aims to collect detailed and varied data by combining multiple data collection methods in order to understand the studied process fully. Furthermore, as recommended by Yin (2003), a construct validity test was performed by establishing a chain of evidence, using multiple evidence, giving possibilities to informants to review the study’s results, and by involving the project supervisors in reviewing parts of the data analysis and findings, and, if unclear, changing certain aspects (Yin, 1994).

- Respondents’ validation – The respondents were given the option to review the study results as discussed above, in order to ensure that their views and behaviour are correctly understood and described.

- Search for discrepant cases – SMEs with diverse size, age, industry and background have been selected purposely in order to produce controversial and varied data, that could be contrasted and compared and in that way better understood. Alternative explanations have been carefully considered and intercoder agreement achieved.

- Triangulation – Combination of data sources is used in order to triangulate the data and increase its validity. Investigator triangulation was also used by involving the researcher’s supervisors in the analysis process. Yin (2003) adds that internal validity could be enhanced through following systematic procedures when conducting the within-case and cross-case analysis and pattern matching, and cross-checking of results. The MIATSM model provides such structure for the data collection and data analysis process. The researcher also followed the recommendations of Miles & Huberman (1994) to display data in different formats in order to assist the process of data analysis.

- Quasi-statistics – to use actual numbers rather than adjectives, such as: typical, rare.

- Comparison – Results were compared across settings, groups, events and theory. Due to the variety of the sample, varied data was collected, and therefore results comparison was possible. Riege (2003) adds that the external validity could also be enhanced through predetermined questions, thick descriptions, systematic procedures and cross-case analysis. Connecting the emergent theory to the
developed MIATSM model enhances the internal validity, generalizability, and the theoretical level of the built theory. The theoretical framework help to eliminate any subjective judgements through the specific constructs and changes that are going to be studied. It was expected that both supporting and challenging data would be presented, however, it was ensured that all the cases were treated equally. Also, the researcher ensured that the boundaries of the research were clearly defined prior to starting data collection, and that the cases were chosen for theoretical replication logic.

- Moreover, the interview guides were pre-tested (pilot study). Electronic recording and rapid transcription were also performed as ways of further enhancement of validity and reliability (Eisenhardt, 1989).

Table 8 below shows a summary of the strategies adopted to ensure the quality of data collection and analysis as recommended by Yin (2009).
<table>
<thead>
<tr>
<th>Quality Criteria</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct validity</td>
<td>Correct operational measures for the concepts studied</td>
<td>The tactics suggested by Yin (201 employed. Specific concepts and employed through the MIATSM interpretation process. The research (triangulation of sources), establishing reliability has been checked by Ph The researcher gave possibilities t and involved the project superviso findings. Findings were presented workshops in order to explicate an</td>
</tr>
<tr>
<td>Internal validity</td>
<td>Establishing a causal relationship, whereby certain conditions are shown to lead to other, as distinguished from spurious relationships</td>
<td>The tactics suggested by Yin (201 employed. The MIATSM model generalizes eliminate any subjective judgements in relationships among them. Rigorously adopted through pattern matching explanations have been discussed intercoder agreement has been achieved</td>
</tr>
<tr>
<td>External validity</td>
<td>Establishing the domain to which the findings of the study are pertaining</td>
<td>The aim is to develop an in-depth theory and a level of transferability. Transferability has been achieved tting findings with the MIATSM</td>
</tr>
<tr>
<td>Reliability</td>
<td>Ensuring and demonstrating that the operations of a case, such as the data collection procedures, can be repeated with the same results</td>
<td>Procedures used during the data collection and triangulation of data have been employed. The MIATSM model supervisors checked coding frame</td>
</tr>
</tbody>
</table>
4.14 Research Ethics

From the beginning of the research, the researcher ensured that ethical matters were considered and planned, and that the research met all ethical obligations. The researcher followed the PBS Research Ethics guidelines while designing the study. Additionally, three workshops on Research Ethics, conducted within the Graduate School, University of Portsmouth were attended. The researcher understands that by undertaking this research, she represents not only herself but also the University of Portsmouth, so she made sure to adopt and strictly follow the highest ethical standards.

The following procedures were undertaken to ensure high ethical standards of the research. The ethics checklist form and its approval by the Ethics Committee can be seen in Appendices K & L.

4.14.1 Informed Consent

The researcher produced an invitation letter, and information sheet document for the research participants, in order to ensure that all participants were thoroughly informed about the purpose and procedures of the research before deciding whether to participate or not (Appendices J & K). Therefore, the participants were free to make their own informed decision regarding research participation. It is considered that gaining informed consent is an essential element of the current research. Thus, the informed consent of every participant has been audio recorded. All principles of informed consent were strictly followed. Participants were informed and gave their permission and access to their social media presence and consent for the social media thematic analysis.

4.14.2 Protection of Research Participants

The participation in this research is anonymous. All the data identified with the interviewee is anonymized, and shared only with the research supervisors. Also, the information included in the thesis, transcripts and publications does not refer to the participants or the organisations they represent by their real names. The researcher strictly followed the eight data protection principles of the Data Protection Act (1998) (Information Commissioner’s Office, 2001), and thus ensured that the collected primary data is used:
• Fairly and lawfully
• For the specifically stated purposes
• In an adequate way, relevant and not excessive
• Accurately
• Kept for no longer than indicated and necessary
• Handled according to people’s data protection rights
• Kept safe and secure
• Not transferred outside the UK without permission

4.14.3 Confidentiality
Confidentiality of the information was ensured by storing the collected data securely in the University Storage system for five years after the end of the research in order to ensure that the data is available should an additional check of its validity be needed later on. After that period, the data will be securely destroyed. Furthermore, no company’s identifying information or confidential and financial information has been collected. Also, participants were given the right to withdraw from the study at any time. The researcher ensured that all the participants fully understood their rights and the implications of the study (Robson, 2011).

4.14.4 Professional Integrity and Legitimacy of Data
The researcher collected only data relevant to the research project and for which consent was obtained from the participants. Thus, the researcher ensured that she followed the ethical codes of practice. The researcher ensured that all procedures were carried out and reported accurately and honestly by clearly documenting and establishing her obligations.

4.14.5 Safety and Risks
No risks for the participants were foreseen.

Neither were any risks foreseen for the University.

The risks associated with the safety of the researcher were minimised by making sure that all health and safety regulations were strictly followed when visiting research sites, and by informing researchers’ relatives where the researcher was going, and with whom they were
meeting to conduct interviews. Also, the researcher ensured that all risks associated with visiting participants for interviews were assessed prior to the visit taking place.

Risk assessment procedures employed were: researching the person that the researcher was going to meet, the place of meeting, assessment of other risks associated with the researcher’s well-being, such as the environment, buildings, equipment.

If potential harm was uncovered by the researcher in the course of the research, the necessary steps were undertaken to neutralize them.

4.14.6 Illegal Behaviour

The researcher understands her ethical responsibilities, and undertook to report any illegal behaviour, as the researcher understands that the requirements to report override the confidentiality agreements. The researcher undertook to report to the research supervisors and to seek advice from them.

The PBS faculty ethics committee reviewed and awarded a favourable opinion to the research project in December, 22nd, 2014. (Appendices L & M).

4.14.7 Researcher’s Skills

The skills, knowledge and training of the researcher have been considered very important for producing high quality case studies (O’Donnell & Cummins, 1999; Yin, R, 2009). Since the exact skills are not well defined in the literature, it is difficult to assess if the researcher has the necessary abilities and skills. However, the development of an initial in-depth understanding of the issue being studied is considered the main and a crucial condition for the development of good cases. Hence, at the beginning of the project the researcher developed a deep understanding of the SME marketing literature, social media practices, strategic marketing management theories, dynamic capability literature, organisational learning, research philosophies, design and methods. The researcher also attended more than 40 development workshops within the University of Portsmouth Graduate School, among which were two case study research workshops, and four NVivo workshops. Through the developed in-depth understanding in the research field, and the in-depth understanding of the software functionality, an ability to interpret the collected data correctly has been developed.

The researcher followed the outlined procedures in this chapter systematically and the recommendations of Yin (2003) for case study design and methods.
First of all, whenever vague or hesitant answers were obtained, the researcher aimed to ask additional questions in order to provoke dialogue. The researcher also constantly asked herself why events occurred as they did and how and why organisations work, and searched for new and additional evidence by staying open and taking extensive notes (Yin, 2009).

Although the researcher became a part of the research itself, the researcher was aware of the so-called self-fulfilling prophecy or Pygmalion effect, where researchers unknowingly guide the subjects to the results that the researcher expects, thereby confirming the expected results. The researcher took the role of the disinterested observer; he/she has no vested interest in whether the research turns out one way or the other (Guba & Lincoln, 1994). The researcher listened actively, remained unbiased and accounted for context through observation, sensing and getting under the surface. It is recognised that flexibility, adaptiveness, and openness to unexpected and contrary findings are also crucially important. The researcher was controlling the discussion by following the standardized structure in order to ensure the content relevance of the gathered data.

Additionally, the researcher was highly motivated, and aimed at gaining the trust of the participants. Moreover, the researcher was prepared to assimilate the large amount of information that is usually associated with the multiple-cases design, and was prepared to revise the entire design of the research should a change in the initial theoretical model occur (Yin, 2009).

Throughout the research, the researcher aimed to clearly show that no evidence was ignored, all the possible evidence was collected and the interpretations are exhaustive. Additionally, the researcher addressed all major rival explanations, and all major rival interpretations, by keeping the focus on the issue under investigation, and by accounting for all the evidence. The researcher checked alternative explanations against other data and constantly asked herself if these explanations could be refined and developed, and were widely supported (Bazeley, 2009; Yin, 2003).

The researcher controlled and sustained the conversation in order to keep the content relevance and get under the surface of what was said by trying to gain insight into logic, sentiments and emotions. To facilitate the above, the researcher kept a research diary. Additionally, all the interviews were audio recorded and rapidly transcribed in order to enhance validity and reliability. Then the interviews were coded, using a coded framework,
based on the key topics (theoretical model). These codes were refined with the on-going analysis.

The preliminary findings of the research were reported to supervisors in order to see if they could offer alternative explanation of the collected data.

Over the course of the forty-eight months that this research was carried out, various methods and avenues of procuring and analysing data were constantly reviewed and future strategies for the study’s design and structure were considered and ruled out.

4.15 Methodology Chapter Summary

This chapter detailed and justified the research methodology. The role of the MIATSM model for data gathering, analysis and interpretation has been outlined. A careful consideration of the research ethics, validity and reliability of the research has been given and outlined. This discussion identified weaknesses and highlighted methods employed to minimise these.

The thesis proceeds with discussion of the findings of the research, starting with within-case analysis, followed by cross-case analysis. The next five chapters present findings from each of the developed five case studies. An overview of each firm is provided, followed by a discussion of each case in the form of a case study narrative. Building upon the pilot studies, the case studies developed present an in-depth understanding of the market intelligence gathering and application practices taking place within five different SME marketing contexts. Through the use of the MIATSM model as a template, a new understanding of the processes taking place in various SMEs is developed, structured and presented. The case studies narratives outlined in the next five chapters represent the within-case analysis.

The cross-case analysis follows the five case studies narratives. The within-case and cross-case analysis and findings presented in the next six chapters contribute toward validation of the MIATSM model by demonstrating its application in uncovering the learning and marketing adaptation processes taking place as a result of the social media use of various SMEs. The MIATSM model and the empirical evidence gathered provide a unique contribution to the academic literature, and a completely new perspective to the SME social media practices and their marketing implications.

The following six chapters highlight the principal findings of the research.
5 Case Study 1: Established Knowledge – Intensive SME (Digital Agency)

5.1 Introduction

Guided by the MIATSM model (Figure 6, section 3.10), this case study investigates the processes used to seize learning from social media, the process used to make sense of that learning, and lastly how that sense-making was exploited in terms of reconfiguration of marketing operating capabilities in an established knowledge-intensive digital agency operating in the South East of England.

Company A, a digital marketing agency was chosen as a representative knowledge-intensive established SME for which social media is a core business. The company has its own data platform that collects and integrates data from a multitude of sources across all the digital marketing initiatives. This data is then combined with in-depth expertise to build knowledge and insights and deliver results for their clients’ campaigns. The company employees 49 employees and has over a decade of experience.

Data was collected through interviews with the company’s Head of Marketing (HoM) and the Services Director (SD), and triangulated with social media data, work environment observation and informal discussions with employees. The interview participants were selected as they were better positioned than other employees to elaborate on the processes of interest both on an operating and dynamic capability level, and especially on the processes of transfer of the learning to a higher-order dynamic capability level and the process of exploitation of that learning and planning of the altered routines. Both participants worked for more than three years at Company A, and have an in-depth understanding of the business.

The researcher built her understanding through the use of the MIATSM model, identifying patterns in Company A’s marketing choices that were a result of social media use.

The data collected for Company A was coded under key constructs of the MIATSM model: absorptive capacity on operating and dynamic capability levels. The analysis examined each construct of the model separately, and then how the three routines developed over time and enabled marketing evolution. The case study narrative is also structured under the MIATSM model’s components and is presented below.
5.2 **Background/Prior History**

Information about the first condition facilitating and impacting the researched learning processes as part of the MIATSM model was collected in the first stage of the research by understanding Company A’s internal context. The concept of path/prior knowledge, depicted as the first influencing condition in the MIATSM model, represents a recognition that history matters and the already developed absorptive capacity influences the company’s future ability to recognise, absorb and transform knowledge. Critical at that initial stage of the research is to understand how Company A’s prior learning enables individuals with a sense of direction and belonging, and helps keep the organisational focus.

Company A operates in the highly competitive digital industry, and although they see themselves as one of the leading digital agencies, they acknowledge that the competition is keen, and according to the HoM: “…hot on our heels with that, but we are leading at the moment.”

The participants explained that they have to constantly evolve, and due to this dynamic behaviour, Company A was able to identify very early market signals indicating the need for automation of the data mining processes, developing their own data mining platform which gave them a competitive edge.

Examples of Facebook posts and tweets of Company A related to their industry awards and recognition are presented below:

“[Name of Company] is thrilled to be shortlisted for the [name of award] …”

“A huge thank you to [name of company] and [name of ward] for our recent awards! These will take pride of place on the [name of company] mantelpiece.”

“Whoop whoop, only gone and bagged 2nd place in the elite agency poll, as voted by our clients and peers in [name of another ward]. Yay us!”

“We are very excited and pleased to announce that in [name of digital agency census research] we will appear in the Top 5 in the [name of category], the Top 10 in the [name of second category] and in the [name of third category], however best of all we are in the Top 3 in [name of fourth category] which means we are Brilliant at what we do. Fantastic news, we find out the exact results on [date] watch this space!”
To understand the strategic position and purpose of the organisation, the participants were asked to articulate the organisational mission and values. Both the HoM and the SD explained the mission and organisational philosophy around being open, creative and transparent, and enabling smart decision-making through deep data.

5.2.1 Marketing Practices/Strategy

Currently, Company A pursues an aggressive growth strategic goal to expand their market share and develop their branch office. To achieve this, they set up specific marketing objectives around brand awareness and reaching new audiences through a combination of digital channels.

The company constantly iterates their organisational actions and tactics to fit the environment and their marketing plan is under constant revision and evolution. The company has a six-month plan, a one-year plan, five- and ten-year plans and a series of campaign-based tactical plans. The HoM reviews campaign performance every Friday, and adjusts tactics and actions accordingly by meeting with the marketing team every Monday.

“…things move so quickly that if we had just stopped what we were going to do twelve months ago we’d be losing now”.

5.2.2 Social Media Adoption Triggers, Market Dynamism

The second and third facilitating conditions as per the MIATSM model – trigger of social media use and market dynamism – were also explored as part of the first stage of the interview.

Changes in technologies and the dynamic market place have been pointed out as drivers of change in Company A’s business practices and triggers of social media use. The company started as a search engine optimisation (SEO) agency, since then, however, their portfolio has evolved constantly. As trends and technologies developed, such as content marketing and social media, the company leadership quickly identified early signals and continually added services/products to their portfolio. Developing new competencies enabled them to stay ahead of the competition. The market dynamism component of the MIATSM model highlighted that as a knowledge-intensive company, operating in a dynamic market place, Company A’s focus is on constantly scanning the environment and creating new knowledge in order to keep up their leadership position and prevent overdependence on established behaviour.
HoM: “…Google do updates all the time and we just have to make sure that we’re aware of them…”

Particularly in relation to social media use, the HoM explains:

“…I think that social media has massively opened up the doors for the fact that Twitter feeds come up now in result pages so they’re sharing their information so it’s just making sure that you see that as an opportunity that we seized quite early on…”

5.2.3 Social Media Use on a Daily Basis

Company A sees social media as an important part of their digital communication mix. The HoM points out that social media is not simply campaign-based but an on-going communication with clients. Company A’s stated social media objective is:

- brand awareness
- getting new people sharing their content, and
- developing relationships through regular engagement with the audience.

The company currently has active accounts on numerous social media sites such as Facebook, Twitter, LinkedIn, YouTube, Instagram, Blog, Google+, Pinterest, Slideshare, but they mainly use Facebook, Twitter and Blog.

The content they produce is customer-centred and educative with clear focus on educating the readers. Their company blog is called a “learning blog”; they are educating the audience and focus on creating content that provides value. They create positive, immersive experiences, through the use of data, technology and storytelling. Their content is not brand-centered but focused on enhancing their customers’ lives instead of interrupting.

Examples of blog topics:

“Find out how we at [Company A name] use data effectively to drive social media results for our customers.”

“Getting your landing page design right can make all the difference to your conversions. Here are 12 key tips to help you get the look and the message right.”

“What’s actually involved in driving those 12,734 clicks a client achieved in the past month? Where did they come from? This is how we make sense of data.”
“Real people’s opinions and soundbites add colour, personality, and credibility to an article. To enrich your content, here are ten interviewing tips.”

Company A’s NVivo word frequency is presented (Figure 11), which contains a list of the most frequently occurring words, themes and concepts in their social media posts. The most frequently used words include: “google”, “search” which links to their core business but also to their source of change and evolution. Other frequently used words are: “busy”, “new”, “coming”, “engine”, “teams”, “taking”, “reporting”, “updating”, and many action verbs, such as: “updating”, “getting”, “looking”, “stands”, “leaps”, “topping”, “seeing”, “taking”.

Figure 11 Word Cloud of most frequently used words by Company A

5.2.4 Sources of Market Intelligence

Both participants agreed that every single piece of information is of interest to the company, and they are always open and receptive to signals indicating changes in the external environment. Amongst the other social media platforms, the HoM highlighted specialised industry blogs as crucial sources of information, particularly for spotting new opportunities and trends, emerging changes in customer behaviour and technology trends.

The participants pointed out the key role of their own data platform for supplying the market intelligence that is regularly monitored, such as: who’s checking their profile, who’s engaging with their social media, who their key influences are, what their activities
are, what is their line of business. Additionally, the platform also provides information about their competitors. In addition to these digital sources of market intelligence, the company also participates in an annual agency census.

The three learning processes, as per the MIATSM model and impacting conditions have been synthesized in Table 9, which shows the interlinking role of the market intelligence supplied by social media at the operating and dynamic capability level.

The market intelligence gathered has an impact at both levels but for different purposes. Discussion of the main findings at each learning process level and affecting conditions follows.
Table 9 Absorptive capacity processes and impacting conditions taking place at operating and dynamic capabilities level at Company A

<table>
<thead>
<tr>
<th>Absorptive Capacity Processes</th>
<th>Operating Capability</th>
<th>Conditions Impacting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recognition &amp; Absorption</strong></td>
<td>Daily Use of Social Media: Outside-in activity of Recognition, Creation &amp; Acquiring of Relevant Information; Sources of Information: Combination of Social Media platforms, Marketing blogs, Open software, Apps to aggregate news; Perceive social media as a knowledge source; informal, open culture; embrace experimentation; sharing, motivational (competitions, fun); sense of purpose, facilitative leadership / endogenous entrepreneurship; owner involved in social media use; trial and error approach to social media; Incentives to use manage contribute to company social media: train buildings, conferences, games rooms; constant investment of resources to create content and update / engage; Clearly defined and communicated mission, strategic goal, objectives; Focus on scanning and detecting early signals &quot;every piece of information is of interest to us&quot;</td>
<td>Could be anyone in the team depending on specialization, marketing team,</td>
</tr>
<tr>
<td><strong>Assimilation &amp; Sense-Making</strong></td>
<td>Sense-Making of incoming information in the context of marketing; Transfer to Relevant Actors, Departments &amp; Storage &amp; Using the Market Intelligence Acquired to refine Marketing/Branding; to inform strategic decisions on the base of the understanding developed. Mission is interwoven in sense-making; clear purpose, objectives; Regular cross and interdepartmental meetings (weekly, monthly) Informal lunches etc.; constant revisions of strategy; Mars internal blog &amp; CRM database for knowledge storage and management; open space office; use social media for collaboration on projects, sharing and saving; internal blog, skype, e-mail; social tagging; Performance Measurement/Technical Fitness: KPI software, CRM database, own software;</td>
<td>The Social Media Director, Marketing, Services Director, any employee in the company constant investment to develop employees skill: external and training: teach each other</td>
</tr>
<tr>
<td><strong>Exploitation</strong></td>
<td>Implementation of the New Corporate Brand: Delivery of the refined marketing activity to the audience (new website, blog posts, other social networking activities to promote / educate people about their brand evolution); Inside out activity; Changes implementation by relevant actors</td>
<td></td>
</tr>
</tbody>
</table>


5.3 Absorptive capacity as an operating capability – Recognition and Absorption (Exploration)

5.3.1 Internal Culture, Structure and Systems

The MIATSM model application highlighted Company A’s internal culture as a particularly important key enabler of the recognition and absorption process. Particularly, their collaborative learning and shared values are important antecedents and facilitators of the processes of market knowledge absorption. The participants claimed high sense of purpose, integrity and motivation. Their organisational culture has been described by the HoM as collaborative, innovative, receptive and stimulating.

“Everything we do is about improvement, is being the best that we can be, so.... there’s a sales guy in the sales team who used to deliver PPC, he said to me the other day he used to deliver PPC at his old job and now he sells it, he said he’s learned more since he came here to sell it than he knew before when he was delivering it. There’s a lot of osmosis going on round here. So the people who just learn new stuff all the time and there’s nobody who comes here who does not say they’ve learned so much since they’ve joined, and it’s just constant... “

5.3.2 Actors

Company A constantly invests in developing their people competencies and skills:

SD: “Well we make sure all our guys are qualified up to the Google level.”

They have a staff development ‘package’, and constantly provide a wide variety of subjects and half-day classes to develop their employees’ skills. They encourage staff to develop a second area of specialism.

HoM: “We do have a very much, without sounding too cheesy, what with the [Company A] there’s a huge investment from the management team into the staff, we run a massive training programme, everyone’s involved in everything, like we have the transparencies summer parties, that kind of thing, so there is a kind of helping each other out kind of feel to everything…”

In line with the company’s open and informal culture of trust, sharing and collaboration, stemming from their mission and purpose, and the constant investment in educating
employees, their leadership encourages employees to be brand ambassadors and also to share information between the team and in their networks.

HoM: “…we see ourselves very much as humble publishers of our experts out there…Huge open door….we’re all plugged in and switched on.”

Company A organises internal social media competitions to try and vary the content and also incentivise employees to contribute to the organisational social media presence. For example, the company recently held a “Twitter takeover” in which every employee was encouraged to take over the Twitter account for two days to see who they would reach.

SD: “I wrote a haiku poem for every member of staff to describe them and posted it as a series of haikus, but that was fun…when the initiatives and things like that are fun nobody really says no I’m not going to do this…”

Moreover, it is seen as a privilege by employees to contribute content and engage with organisational social media accounts, and this is emphasized as a meaningful activity.

HoM: “it’s quite a thing to be part of the A team, you know I’ve been picked to be in the A team and I get chosen to do that, so it’s making sure that people feel kind of proud of the brand I suppose really.”

The “actors” component of the MIATSM model highlighted Company A’s management as particularly important for the processes of exploration. The leadership demonstrated abilities to translate business goals into customer and employee-friendly initiatives that are welcomed and enjoyed by everyone, and employees are happy to take the initiative outside their own job roles. In that way, they build a flourishing and inspiring culture, in which employees think about how and what they can do to promote the company and provide value to customers.

In a blog post, one of the company employees pointed out:

“A culture that recognises the importance of growth, respect and trust plays a central role in making [Company A] a great place to work.”

In the same blog post, the employee also adds:

“Our CEO [name] and the team of directors have worked hard to craft a culture that nurtures talent, encourages positivity and makes being at work both fun and rewarding.”
Company A’s employees are the best company advocates on social media, and the company is considered a great place to work.

5.3.2.1 Facilitative Leadership
The owner-manager has been described by both of the participants as the biggest proponent of social media and the driver of the flourishing and open collaborative-learning culture. The owner-manager drives organisational mission and vision and strategic direction, leading the company’s interactive learning processes. The owner has been described as always reading and sharing on social media, particularly blog posts from employees.

HoM: “It does come from [the owner-manager] I guess because people see that behaviour as a good thing and [the owner-manager] encourages it in others…”

5.3.2.2 Negative Comments and Bad Reviews
Furthermore, the participants consider bad reviews as opportunities to prove the company’s strengths and turn the bad review into a positive customer experience.

HoM: “… because everybody knows that no-one’s perfect or what have you, I actually think there’s huge opportunity with negative reviews so just think you’ve got to play to your strengths really.”

Management are not afraid of making mistakes, avoid blaming and solve problems by experimenting. To them, the real problem is when bad reviews are constantly ignored and left unanswered, which reflect negatively on the company’s image by creating a social media “storm”. Employee risk aversion is pointed out as the biggest risk.

HoM: “…so it’s all about sharing and learning and yes it’s helped relationships, and some people are averse to change so... That is the hard thing with an agile company in the sense that you have to keep evolving and keep changing stuff, and some people regard that as a negative…”

The participants conclude that employees should be stimulated and given the opportunity to experiment with social media, listen, understand, and engage with the people, skills that the HoM points out are incredibly difficult to teach. As skills of a secondary importance the participants ranked the conventional marketing skills, and having the right voice in accordance with the platform, and the business context.
5.3.3 Resources

As per the MIATSM model, the next component to be studied is “resources”. Budgets are constantly dedicated to educating and motivating employees, through organising workshops, team building and lunches, and for allowing enough time to develop their second area of specialism. The company does not use external suppliers and pays only for advertising on social media, plus a subscription fee to some of the platforms they use. Except for the latter, there is no specific budget dedicated to social media.

5.4 Assimilation & Sense-Making (Transformation)

The second process in the MIATSM model is the process of assimilation and sense-making. For that stage of the research, data was collected on how the learning on the operating level is transferred to a higher order strategic level and exploited in terms of how it is translated to actual decisions in relation to marketing strategy/practice changes. The aim is to understand the process of interaction between operating and dynamic capabilities, and how the learning at operating level, developed through social media practices, affects decisions at the level of higher-order strategic marketing activities planning and decision making. The process of transferring the learning through the use of social media to the higher strategic marketing level is acknowledged as very challenging to organisations, as the individual tacit knowledge is the most difficult type of knowledge to acquire, convert and store (Pawlowsky, 2001; Senge, 1990; Zhang et al., 2006).

5.4.1 Internal Culture, Structure and Systems

The organisational structure and closeness of working relationships between employees emerged as a very important facilitator of cross-departmental sharing and flow of information. The HoM explained that everyone has input into someone else’s job and provides an example from cross-departmental meetings where one of the accountants is often giving valuable advice and helping marketing employees to spot solutions they have not thought about.

“you’re letting somebody else look at you and see it from another angle and going well here’s an idea. Our accounts [staff]…sometimes come up with some nice gems in our meetings, [they] goes well have you tried this? Cos [they] sit quite outside of it and we all go oh, good idea, why did not we think of that?”
This collaboration, creativity and integrity are reflected also in their open space office layout, which supports sharing, collaboration and wellbeing.

HoM: “I think we’re all happy to learn, we’re an industry that’s moving really, really fast and we’re all dead chuffed to be part of that industry and I think that kind of feeds through, you know the whole transparency and the trust and you know…”

Through a process of gradual sharing and assimilation of ideas, knowledge, they constantly and gradually evolve.

HoM: “There’s a lot of osmosis going on round here.”

5.4.2 Actors

Once again, the process of assimilation and sense-making is seen as a shared responsibility:

SD: “There’s probably about half the company that do that so marketing disseminates information about things that are relevant to the marketing plan, I share information regarding tools or things I’ve found that I think everyone should read, the MD shares a lot of stuff, a lot of members of staff do the like tip sessions for each other, so we’ve got somebody who’s doing quite a bit of stuff around using tools for doing key word research…”

“…the social media guys might stand up and do a little ten minute tips session on how to get more out of Twitter …”

The company mission is interwoven in everything they do and staff are constantly searching, sharing, learning and teaching each other.

HoM: “we have like an internal mission and vision that works about innovation and it’s something that’s kind of fed through everything that we try and do so we’re always trying to, it’s not about I’m in it for me, I’m in it for us so we try very much to not fight against each other, we’re all on the same side so if I can help you help that person then absolutely I will, do you know what I mean, so I think that it’s a cultural thing rather than a particular…basically we’re teaching each other about things we’re discovering which is really important.”
5.4.3 Resources
Company A uses KPI software to evaluate the objectives achievement and benchmark results versus targets. They use also face-to-face networking. They recognize the importance of having quick internal communication; emails and Skype have been also mentioned as employed internal communication tools. They dedicate time in a regular (daily, weekly, monthly) basis for face-to-face internal meetings.

5.4.3.1 Integration and storage of new and old knowledge
SME research shows that SMEs face particular challenges in the knowledge codification and retention stage as their knowledge is stored mainly in employees’ and owners’ heads (Wong and Aspinwall, 2004). Company A, however, uses an internal blog for storing important information. The employees use this blog as a repository for research, policies, statistics, internal articles, and blog articles for future use. Additionally, they have a CRM database, where all the information about clients and prospects is stored.

5.4.4 Performance Management
The performance measurement part of the case study narrative is aimed at discussing the company’s performance and evaluation of social media activities, or in other words in understanding and presenting how they assess their operating capability of social media use. In the DCs literature, the latter is called “technical fitness”.

On a weekly basis, the HoM is getting reports on their own company performance and the HoM is particularly monitoring the new attractions they got through social media, in terms of new people sharing their content, and is not interested in the number of impressions. The HoM explains that they always try to tweak and refine on the basis of their last week’s results, and by benchmarking against the key objectives set up on a KPI system called “seven gates”.

5.4.4.1 Challenges
A particular challenge pointed out by Company A’s interview participants is putting the numbers in the unique context and being able to simplify them:

“an objective is to make sure our content is being read by as many people as possible outside the company, or shared with as many people outside the company;
the KPI for that will be prove it, so tell me how many people are sharing content, that’s quite simple, the trouble is sometimes you ask for that from somebody whose job it is to report on that and they’re giving you kinds of other information that isn’t relevant and it’s confusing so the marketing manager gets a report that says well here’s loads of information that I could tell you but maybe they just want to know one thing, and that is a challenge because the ability to report on something without giving too much information that you don’t need to give is quite difficult because not everybody can report as well as anybody else, and that’s a constant challenge we have internally and with clients.”

The HoM also points out:

“or to give you any actionable insight post-information, so if I get a report that says it was shared by seven people, is that good, is that bad, who are these seven people, do I care, do I want to care? Do they need more, what was their, so I don’t know what to do with the, well I do know what to do with the information but because I’ve only got half the story you go back and you’re just like ok then, so what did they respond to, how do we engage with them, and how do we replicate this, I mean someone... Stuck without contacts”

Data mining and presentation is a challenge currently due to the amount of information available in general and not only for Company A.

5.5 Exploitation

Lastly, the exact dynamic capabilities performed by the company, and the changes triggered as a result in their marketing operating activities have been identified. The MIATSM model application demonstrated that the developed absorptive capacity made it possible for the company to identify how and where to absorb, assimilate and exploit knowledge within the social media community. Company A’s frequent interactions with external and internal audiences led them to become proactive and optimistic about the prospects identified, based on prior knowledge. This in turn led to an emphasis on new knowledge and new technologies as drivers of development in multiple organisational aspects such as: new product services development, marketing actions, and internal team development, external and internal communication.
HoM: “Yeah we’re constantly evolving, I mean Google has a philosophy that it will create something and it will get it out into the market place and then improve it as the market starts to use it, I think our approach is the same thing, just get it going and just constantly tweak it and make it better as you go along…”

5.5.1 Relationships, Engagement, Learning (VRIN resources)

Company A reported multiple VRIN resources that were developed through their daily interactions and social media learning. Two of the main VRIN resources developed are relationships and engagement, both externally and internally within the team. The participants stated during the interviews that through the abovementioned Twitter take over competition they also developed trust and friendship amongst employees.

5.5.2 Unlearning and Learning from Mistakes as a Dynamic Capability

Company A recently consolidated their three sub-brands in response to signals indicating brand inconsistency. The company identified that their social media presence and the numerous interactions taking place under different brands were confusing and fragmented both for their employees and their clients, and claimed social media helped them to understand, realise and take actions to solve this issue. By consolidating sub-brands and launching a new website, they were able to transform their fragmented image into a consistent brand image and achieve differentiation, building a clearly communicated competitive advantage and integrated customer experience.

HoM: “…because of the emergence of social media and various other things it’s actually proven to be really hard to have three brands because we’ve got members of staff who say they work for one brand and members of staff who say they work for another, that means on Linkedin you’ve got all three different brands, on Twitter you’ve got people posting as [brand name] and [brand name], and it means you’re actually fragmenting your ability to push the marketplace and to talk to people with one voice, so we decided to consolidate under one brand again which was a big decision for us last year, and we did that with the new site in February, and that was a response to just circumstance really, it just proved to be too difficult, and we’ve still retained our important message of having specialists deliver the service but now we can say those specialists work for the same brand and it just makes it feel like a bigger agency, and I think that was a necessary change…”
“…so, we literally cut off our old site, so we did not bring any information, any results, nothing, literally closed it down, so it was effectively like starting from scratch, like a brand-new company, like a start-up as of February, so we’ve been very actively building like a thought leadership kind of, we assume that somebody comes to us either to buy something or to learn something, so we want to educate our audience…”

The advantages of the re-branding were highly valued.

HoM: “…it’s very, very clear who our type of audience is, how we’re going after them, how we can service them, our key differentiators, got one message, it’s incredibly strong, whereas before it was like oh [Name of First Company], yeah that’s not our strap line, our key thing is momentum but [Name of Another Brand] were all about content driven research but [Name of Third Brand] were all about, can’t even remember what [Name of Third Brand] was now, and then we had [Name of Parent Brand] as well, and it was all disjointed and mish mash so yeah, it’s a huge relief for clients as well so yeah.”

Moreover, Company A cut the costs involved in supporting three sub-brands. Their new master brand strategy provided benefits for the company which lies mainly in minimising the business challenges and opportunities they face in today’s fragmented media landscape. Their marketing communications were iterated to reflect and promote the new brand image, for example paid targeted advertising was introduced to support building the organic following of their new web site.

HoM: “We learnt that we were not doing ourselves any favours so we changed it.”

In an internal blog post from 2015, the owner-manager of the company referred to the consolidation of brands as “the next step in our evolution”.

The re-branding was announced in a similar way on their Facebook profile:

“In the world of search and digital marketing, you can never stand still. At [Company A name], we’re always evolving, but now we’ve also started a revolution.”

5.5.3 Ambidexterity

Company A is ambidextrous in balancing an organic mode of functioning with the need for structure in their daily marketing operations (Tushman and O’Reilly, 1996). Although the
company is well established, the MIATSM model uncovered that the company does not manifest hierarchy, bureaucracy and rigid routines. Through constant investment in improving interaction between employees and various audiences for the purposes of absorptive capacity development, a balance between exploitation of existing knowledge and exploration of new knowledge is achieved that positively affects organisational ambidexterity (see Table 10).

**Table 10 Company A’s Activities Associated with Exploration and Exploitation Ambidexterity**

<table>
<thead>
<tr>
<th>Activities Associated with Exploration and Exploitation Ambidexterity in the Context of Company A’s Social Media Use and Marketing Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exploration</strong></td>
</tr>
<tr>
<td>Creating New/Different Experience</td>
</tr>
<tr>
<td>Broadening existing marketing knowledge base through the acquisition of new knowledge supplied by social media; Proactively searching for new opportunities / knowledge / organisational structure &amp; systems and routines both internally and externally</td>
</tr>
<tr>
<td>Experimenting with new approaches toward social media use and internal information acquisition, sense making and transfer</td>
</tr>
<tr>
<td>Constantly questioning existing beliefs, decisions, routines</td>
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</tbody>
</table>

Company A demonstrates the capacity and the infrastructure to gather, transform, and exploit market intelligence relevant to their future marketing actions. Their efficiency, informal and positive internal culture and timing combined with daily use of social media market intelligence helped them to develop understanding of their brand image. The company built their skills base and developed an ability to rapidly identify opportunities and areas of improvement on the basis of evolving marketing competencies, skills set, product set and brand image, achieving a constant extension and diversification of organisational operating capabilities. Through internal dialogue that shares perceptions of potential opportunities, and by avoiding blame and fear of failure, they initiated different iterations of operating capabilities.

Company A captured learning that led to developments which were assimilated at the marketing activities planning level. Consistent with the MIATSM model and dynamic capability theory, their marketing planning process was shown to transform this learning
into corporate re-branding actions. This process was reflected in the different information that was recognised at the operating and dynamic capability levels, and the consequent interpretations for future marketing transformation.

With the help of the NVivo software, a project map is developed that is presented in Figure 34, Appendix N, being a visual representation of the links between project items and data connected to Company A. The project map helps to explore and present the connections in the data. See also Appendix Q, Table 55, for an exploratory diagram of all instances of data coded under the case Company A. The exploratory diagram demonstrates the depth of coding and analysis performed.

5.6 Conclusion of Case Study Narrative One

Through the application of the MIATSM model as a lens to study the three processes of interest, this case study demonstrates the crucial role of social media as a valuable contributor to the organisational learning that fuels organisational marketing evolution in a knowledge-intensive, established SME. The application of the MIATSM model clearly demonstrated the link between the ability to develop an operating level absorptive capacity through the use of social media, and the ability of the company to engage in changes and experiment in their online and offline marketing activities. The MIATSM model factors impacting the learning processes development indicated the internal positive and inspirational culture as a critical enabler of dynamic capability development, as the exogenous signals identified through social media use.
6 Case Study 2: Established Combined (Traditional & Knowledge Intensive) SME

This case study investigates the processes used by a micro established combined (knowledge-intensive and traditional) SME to seize market intelligence from social media, the process used to make sense of that intelligence, and lastly how that sense-making and learning is exploited in terms of reconfiguration of marketing operating capabilities.

The company was founded in 2008 and specialises in markets, events, music festivals, media and news services. In 2011, the company also established its clothing line, artwork range and art posters. The company currently employs five permanent people and a few staff on temporary contracts. The data was collected through in-depth interviews with the Owner-Manager (OM) and the Digital Marketing Manager (DMM), employed three years ago, and then triangulated with social media data, work environment observation, market visits and informal discussion.

The researcher built their understanding through the use of the MIATSM model. The key conditions that enable interactive learning processes – market dynamism, triggers of social media use, prior knowledge, resources, actors, structure & systems, internal culture – were researched at operating capability level in order to understand the context in which dynamic capabilities have been developed through the use of social media.

Following the MIATSM model stages in uncovering how social media intelligence empowers the interactions between operating and dynamic capabilities in this established combined SME, and how the latter affect organisational marketing evolution, this research consisted of four parts, as discussed in the MIATSM model application section, and as outlined below.

6.1 Background/Prior Knowledge

Information about the first three conditions facilitating and impacting the researched absorptive capacity processes as part of the MIATSM model was collected in the first stage of the research by understanding Company B’s context. The concept of path/prior knowledge aimed at understanding how Company B’s prior learning enables individuals with a sense of direction and belonging, and helps keep the organisational focus, and the market dynamism and the triggers of social media use.
At that initial stage of the research, the participants were asked about the company’s mission and vision and their organisational purpose. The OM passionately explained that the company was founded to help local traders during the economic downturn, and to raise the profile of the city. The OM says:

“…the idea was to get people to recognise [name of city] as a brilliant city and to love it and to get all the community to work together and support each other cos at the time of the recession we sort of like had the [name of the city] pound, keep the pound in [name of the city], support local, go to your local trader and not go to the big online superstores, so it was all about community.”

“I wanted to start up something where people could still go ahead and work because they were shutting all the shops down, so that’s why I opened up a market”

Company B’s OM articulated clearly, from the beginning of the interview, a strong ambition to enhance the profile of the city. Strong sense of mission and vision, and an absolute dedication to serve the local community was clearly communicated during the interview. Additionally, the company’s office is located in a unique historic location, emblematic for the local community and strongly connected to the city’s history. Their office is in one of the oldest streets and heritage buildings in the city.

Company B’s OM was also the only one from the company owners initially contacted who replied immediately to the e-mail invitation sent by the researcher for participation in this research project.

They have very diversified and ever-evolving product portfolio, and serve both B2B and B2C customers. Company B’s “nautically branded”, locally-designed and printed artworks are quickly becoming emblems for the city (see Figure 12, 13, 14). All products and artwork are locally designed and relevant to the local culture, ocean nautical, vintage theme “nautical, tattoo girls etc.” The OM adds that their clothing line sells really well.

“We sell a lot of tops, a hell of a lot.”
The owner-manager also adds that they do all their graphic designs in-house; they also pioneer young artists, by selling art posters created by them and publishing online info on the artists.

“So, basically the idea is to promote [young artists] so that’s why we’ve done that, and then obviously, they’ll retweet that we’ve done artwork for [Company B], and we employ them to do the artwork, so we pay for each piece of art and then obviously, we sell it, but we promote them as we sell it.”

Company B’s local markets are very popular within the local community.

“…there’s a big camaraderie feel about it, and we have people come time and time and time again because they just love the feel of the market…”

The application of the MIATSM model clearly demonstrated that the participants are absolutely driven by their organisational mission to enhance the profile of the city, and to promote the local culture and artists. Their mission gives them a very clear sense of direction.

### 6.1.1 Marketing Practices/Strategy

Company B’s marketing practices are unplanned and intuitive, completely different from the traditional marketing theory and in accordance with existing research on SME marketing (Carson and Gilmore, 2000b; Carson et al., 2004; Gilmore et al., 2001; O’Driscoll et al., 2000). Company B does not have a formal, written strategy, set up strategic goals or long-term marketing or communications plans.

Company B is in a constant state of change. They explained that they strive to always develop and enhance their product offerings and their customers’ base. Tactical
adjustments are given priority and are seen as more important than the strategic long-term marketing goals and plans. The OM criticised the structured marketing management approach of larger businesses and aims to absolutely differentiate their business from traditional prescribed marketing management practices. The latter characteristic of SME marketing is well depicted in the existing SME literature (Carson and Gilmore, 2000b; Gilmore et al., 2001).

“We don’t do any of that, nothing like that.”

“We’re totally against what everyone teaches you.”

And described their overall business approach:

“Just got to adapt on the fly. We just have to go constantly, like if something happens we just have to go for it and just do it and we don’t think about stuff.”

Neither the OM nor the DMM, who started as an apprentice have a formal business management or marketing education, or a higher education degree. The company management style is flexible, adaptive and collaborative, which corresponds to SME marketing literature (Hulbert et al., 2015; Murphy and Young, 1995; O’Driscoll et al., 2000; Storey, 1994). The OM takes quick decisions and reacts rapidly to opportunities and threats, which also corresponds to literature (Carson and Mc Cartan-Quinn, 1995; Carson, 1998; Hulbert et al., 2013). They pointed out their ability to set new priorities and implement new processes quicker than their rivals as their main competitive advantage.

“Our foundation is always shifting so we don’t have, I mean in a way I guess we don’t have one, we just kind of float around in this big bubble, yeah, the foundation’s always shifting. Always learning from what’s new and fresh and looking for new ways to expand and express ourselves and that sort of thing.”

They don’t have a strategy and therefore they are not revising:

“We don’t get a chance to do that cos we’re so busy, we’re always active, we’re literally fire-fighting the whole time.”

The OM explained that they experiment and intuitively adapt their business by being inspired and underpinned by their company’s mission and by exhibiting creativity and an ever-evolving portfolio and practices. Completely against conventional practice and theory, and strong opponents of popular and trendy marketing terms and conventional practices. They criticise the people who proclaim themselves as social media “gurus”.

"We don’t get a chance to do that cos we’re so busy, we’re always active, we’re literally fire-fighting the whole time.”
“Social media “gurus” say kind of the same generic stuff. They speak too much and say less.”

The participants showed to the researcher a blackboard, containing business words that they perceived as overused currently and forbid these in their language, as they strive to differentiate themselves from this kind of popular “social media guru’s language”. Some of the latter includes: “Touch base”, “social media guru”, “actionable”. They described these words as “horrible, businessy” and “dirty”.

6.1.2 Social Media Adoption Triggers, Market Dynamism

Company B’s OM introduced social media right from day one, both under the pressure of their limited resources, industry dynamism and because of the OM’s ability to seize opportunity and their early realisation of the potential of social media technologies to develop and grow their business model. Therefore, the “triggers” construct of the MIATSM model demonstrated that a combination of exogenous and endogenous factors were involved in the social media adoption.

Currently, Company B has accounts on Facebook, Twitter, Instagram, Periscope and blog. Both the OM and the DMM manage the Twitter and Facebook accounts. The participants enthusiastically discuss the changes in digital technologies and particularly social media platforms, and that these changes are shaping their business and their industry entirely. They tap into the evolution of digital technologies.

“I think the biggest changes that we make are based around how social media platforms change, big example of that is, well two big examples, one is back in 2012 Facebook posts, when you put a link on Facebook the link would just be a link, but now obviously when you press a link on Facebook it’s like this big thumbnail and that makes this massive clickable area where people can click rather than just a tiny link, so the way Facebook grabs content from other websites and displays it on their own platform is a massive influence to how we design our external stuff like how we design websites. Another big example is responsiveness, on the 21st April Google did this thing called the mobile apocalypse where they said that every website that isn’t mobile ready or mobile friendly or responsive will be seriously downgraded in terms of how far up they go in Google search.”
Company B has grown their social media presence organically, and they claimed that they have never paid for online ads. Currently, the company has more than 15k followers on Facebook and 12.7k Twitter followers, one of the biggest online communities in the area.

Social media is embedded in Company B’s business model. They use it for customer relationships management and to promote business partners, artists and their work, as well as to make announcements, disseminate news and various content and communicate with their customers, promote and sell their products. Through their well-established social media presence, Company B helps local traders, companies and artists get noticed.

Examples of Facebook post are presented below:

“[name of an artist] of [name of a business] is a talented local artist who paints [name of city]-inspired pieces in bright beautiful colours!”

“Unique, colourful, coastal 3D artworks created using mixed media, featuring beach huts, camper vans, and seaside imagery.”

“One of the most perfectly-framed photos of [#name of city] and [#name of location] we’ve seen to date! Absolutely fantastic picture by [name of author] photography. Go and check out more of his work on his page — it’s truly stunning.”

“Oh, yes we love [name of the city]! Art for [name of company] by [name of author], click on our link to get yours [url link].“

Their ever-evolving and diverse portfolio of business activities, products and services gives them diverse and varied areas of content to post on social media; they produce a variety of content in a variety of formats (see Figures 15, 16). The participants explained that they usually post more than twenty times a day.

OM: “…there’s a full spectrum that we can post about, which is like a real competitive advantage and a strategic move for us, and then of course internally we have all our products, we have a load of different products that we write about.”

“…we’re reaching a lot of people but we’ve got a lot to talk about, so I think it’s all about content.”
They post various content that provides value to the community. Their focus is on enhancing the life of the local community and not promoting their brand or products.

“Our event space is so much better than your event space! Not many cities in the UK have an amazing common right next to the sea!”

“This fabulous photo was taken by [name of photographer] during last month’s [name of local event].”

They describe the content they post as:

“We talk about the artists who make them, we talk about, a cheeky little post saying here’s the deliveries that are going out today, that sort of thing.

“That we sneak out in-between all the other stuff, we’ve been sneaky.”

Very often people are tagging them or ask them to share their posts due to the exposure their posts would get. On their news feeds multiple posts, shares and tweets, re-tweets were found where help is provided, from promoting local artists, helping the community, to reposting NHS polls, and promoting BBC radio shows, to maternity and breastfeeding discussions, charity events, helping students with their dissertation projects by re-posting their surveys.

“Sorry only just seen this, is she/he still missing? Cute cat!”

“MISSING – Has anyone seen Bob-cat? His been missing since 5th March 2015 from [address] – Please contact me on ….. with any information. Thank you.”
They constantly gather ideas and opinions from their social media community regarding various developments in the local area, and other hot topics. They are actively engaged in topical discussions.

For example, the saving of the [name of city] Pier. Through the thematic analysis, at least thirty posts about that topic have been identified, which shows their dedication to help and preserve this local and emblematic historic site. Examples from Facebook posts can be seen below:

“[name of pier] in pieces :(

“sad pics of [name of pier] on Saturday. Petition to order”

“We hope that many of you will attend. Please share this link to ensure your local community is kept well informed – thank you!”

They use WhatsApp for their communication with clients also. They set up little chat rooms for clients. And then clients could send them pictures of new products, so Company B could promote them.

The participants point out the importance of presenting your products in an appropriate way and in accordance with the particular social media network site, the importance of design and content creation skills and having the right voice. They explained that they are planning their posts in accordance with the content and their followers’ demographics, who they claim they know better due to their extensive use of social media. In accordance with the MIATSM model and the concept of “prior knowledge” the latter means that the absorptive capacity already developed enabled the company to have the ability to continuously build and achieve better targeting, better content development, customer relationship building, brand advocacy, and product innovations through constant interaction with their audiences (Newey and Zahra, 2009; Zahra and George, 2002).

“You get a feel for what people like and don’t like really, so by looking at what their feeds … did that get any interest, no, did that, yeah, you know it’s what rocks people's boat really.”

The NVivo word frequency query of Company B is presented in Figure 17, which contains a list of the most frequently occurring words, themes and concepts in their social media posts. The word frequency query also confirms Company B’s dedication to help the local community. The most frequently used words are: “love”, “loving”, “learning”,
“community”, “locals”, “new”, “needs”, “looks”, “thanks”, “liking”, “getting”, as shown below:

Figure 17 Word Cloud of most frequently used words in Company B’s social media posts

Some of the most frequently used words were further investigated and confirmed a strong link with their mission to help support the local community and their dedication and love to their city (see Appendix O, Figures 39, 40 for word trees of “loving” and “needs”, as these are two of the most frequently used words in the social media posts of Company B).

Additionally, the location of the tweets’ user accounts was visually mapped with the help of NVivo to examine the engagement level with the local community. Once again, their dedication to the local community was confirmed by the concentration of the tweets’ location in the local area (see Figure 18).

Figure 18 Company B’s Number of Tweets by location of User Accounts
6.1.4 Sources of Market Intelligence

Both participants recognise and pointed out social media as a main source of knowledge.

“Loads and loads of contacts, massive amounts of knowledge.”

The OM adds that they are always scanning competitors’ activities and are open and receptive to signals presenting an opportunity or a threat to the company.

“The finger is always on the button”

When asked how they keep themselves informed, the participants agreed that they use social media to inform themselves about changes in the marketplace and trends in customers’ preferences. Both OM and DMM explained that they:

“Use social media to see how trends are happening”.

They constantly monitor notifications and instantly see what is going on through social media dashboards that they set up.

“cos obviously, people just do it when they can, so when we’re looking at things to find out what other people are doing that’s like an all the time thing, so we schedule on a plan but the reading, seeing what other people are doing, is completely random, so we’ve just got to be constantly be on there, getting notifications across every device...”

The participants explained that they use hashtags a lot to promote events to monitor, research what people are saying and photographs about event. They use social media to monitor competitors.
“I guess we kind of look at, occasionally we may glance over the social media streams of other markets, like the [name of market] does really cool social media and sometimes we take inspiration from them.

Both participants highlight that blogs are particularly useful sources of market intelligence and potential technological knowledge. Blogs are quite useful in terms of inspirational designs sourcing ideas and know how about early trends.

“…if you find the right blogs, art blogs, graphic designer blogs, you look at the current trends, what colours are currently in, and that sort of thing.”

“…on top of like reading marketing blogs and working out what Facebook is doing next and how we need to prepare for that.”

Social media has been pointed out also as a source of inspiration for the company products development:

“I guess yeah we’re always influenced by design, we’re always seeking inspiration from current friends.”

They are constantly learning from social media and alert to any useful information or market signals.

“It’s like Big Brother isn’t it”

“Constantly keeping on top of like reading marketing blogs and working out what Facebook is doing next and how we need to prepare for that, cos one of their big things they’re pushing at the moment is virtual reality, so in the near future, like in two years’ time, we have to start working out how to improve our markets through three sixty degrees you know, all this futuristic stuff is starting to come real, it’s like holograms, that’s like five years away so we have to work out how do we promote LS using holograms. Easy. Virtual reality markets.”

Additionally, they participate in offline networking events and since recently organise their own networking event for entrepreneurs and starts up in the local area, in a cooperation with another locally based organisation (see Figure 19).

Picture from networking event, downloaded from Twitter could be seen below.
The MIATSM model’s three learning processes and impacting conditions have been synthesized in Table 11, which shows the interlinking role of the market intelligence supplied by social media at the operating and dynamic capability level, and they are further discussed in the next case study’s sections.
### Table 11 Absorptive capacity processes and impacting conditions taking place at operating and dynamic capabilities level at Company B

<table>
<thead>
<tr>
<th>Absorptive Capacity Processes</th>
<th>Operating Capability</th>
<th>Conditions impacting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recognition &amp; Absorption</strong></td>
<td>Daily Use of Social Media; Outside-in activity of Recognition, Creation &amp; Acquiring of Relevant Information; Sources of Information: Combination of Social Media platforms, Design blogs, Industry blogs, platform to aggregate social media content</td>
<td>Perceive social media as a knowledge source; strong sense of direction and purpose, clearly defined and communicated mission, absolutely driven by the mission; informal, trusting relationship between staff, facilitative leadership / endogenous entrepreneurship; Experimentation, learning by doing and calculated risk are encouraged incentives to use social media; DMM allowed to use technology gadgets for their own projects;</td>
</tr>
<tr>
<td><strong>Assimilation &amp; Sense-Making</strong></td>
<td>Sense-Making of incoming information in the context of marketing; Transfer to relevant actors &amp; storage &amp; using the market intelligence; Acquired to refine marketing practices; to inform strategic decisions on the base of the understanding developed;</td>
<td>Mission is interwoven in their sense-making activities; clear purpose of serving and helping the local community underpins the sense-making process; adaptive learning culture, embrace experimentation and failure; Use Social Media for saving useful info, collaborating on projects and internal communication;</td>
</tr>
<tr>
<td><strong>Exploitation</strong></td>
<td>Delivery of the refined marketing activity to the audience (new website, blog posts, other social networking activities to promote / educate people about their brand evolution)</td>
<td>Constant iterations, adapting &quot;on the fly&quot; about access the room, Whatsapp &amp; open space office, news database, social tagging: no formal meetings; flat structure; Performance Measurement/ Technical Fitness: Intuitive evaluation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inside out activity: Changes implementation by relevant actors</td>
</tr>
<tr>
<td></td>
<td>Shared responsibility: mainly O Manager (OM); Digital Marketing Manager (DMM);</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shared responsibility: mainly (DMM);</td>
</tr>
</tbody>
</table>
6.2 Absorptive capacity as an operating capability – Recognition and Absorption (Exploration)

For both the OM and DMM, social media is “a huge common sense” and they don’t plan, follow or develop prescribed models or approaches. Their social media practices reflect the unstructured approach of their marketing activities. Their focus is on ongoing tactical use of social media without emphasis on planning, setting up strategic goals and evaluating. Their social media use is ongoing, not campaign based.

“We’re not setting any goals but obviously, every time we hit another thousand followers it’s great, I just hit…”

“We don’t do any of that, nothing like that. We just get on with it, yeah, we’re totally against what everyone teaches you.”

The exploration construct of the MIATSM model highlighted that although Company B does not have any strategic goals and objectives set up in advance, they constantly monitor and tweak their social media tactics and actions. As they describe it, they are monitoring and getting notifications about things that are going on: “24/7”.

They explained that they set up hash tags for their events and then constantly monitor them.

“…so, I have these TweetDeck streams set up with hashtags related to us so I can constantly see what people are saying about us and that sort of thing, yes so again social media basically…”

6.2.1 Internal Culture, Structure and Systems

The MIATSM model constructs “internal culture” and “structure and systems” demonstrated Company B’s flourishing and informal culture of friendship, openness and trust. Both participants agree that being tolerant to mistakes and experimentation with social media is a key skill. They pointed out that they are not afraid to learn and quickly change, and embrace change. They claim that these skills are not something you could learn at school. The latter has been also extensively debated in the entrepreneurial literature (Rae and Carswell, 2001; Thornberry, 2003).

“Don’t be afraid. Don’t be scared, just get on with it, sign up, follow us.”
“...one of the best ways you can learn anything is to throw yourself in the deep end.”

The OM highlighted the issue of trust as a critical one as the entire social media presence could be ruined if passwords get stolen or get into the hands of the wrong people. Therefore, the OM put their focus on creating good team where people feel valued and motivated to do their best job. For example, the OM bought the latest technology gadgets to the DMM to enable high quality content development. Moreover, the DMM is allowed to use all the equipment all the time, and for his own personal projects. Moreover, the OM even adds in relation to DMM salary:

“He gets paid more than we do.”

6.2.2 Actors

For Company B, the leadership abilities emerged as crucial. Although, Company B’s OM does not have a management or business educational background, the OM strategic abilities for looking beyond the present and matching the strengths and weaknesses of the company with her goals and mission are amazing. The OM is driven by desire for creating and capturing value through an open-minded enquiry.

The OM says:

“Oh yeah. I’m on my phone all the time, I’m literally from the time I wake up to the time I go to bed I’ve got the phone on.”

The OM shared during the interview that due to being dyslexic, she “... never got on with academic studies.” The OM explained that she has no qualifications: “I literally have passed my swimming test, that’s all I’ve managed to pass in my life.”

It’s impressive that her entrepreneurial spirit and ability to sense and seize opportunities are naturally developed and not a result of any formal training.

The DMM has been described by the OM as a “digital native”, which is pointed to as an advantage and one of the reasons for their social media success.

The DMM:

“I guess the fact that I was early on, cos to go back in time a bit, this is really cringy but I used to have about, on my personal account with Twitter I had eighty thousand followers and I ran a Tumblr blog which had over ten thousand, and I
started in 2007, so I was really early on that so I guess the fact that I was really early on there and saw how it grew kind of helped me understand where it was going and then also forecast where is was going to head in the future, so the longevity of me being on there is a big foundation for what we do. What moved on, what we’ve seen that influenced us massively

6.2.2.1 Negative Comments and Bad Reviews

Moreover, the participants are not afraid of making mistakes and not afraid of negative comments. On the contrary, they aim to transform negative comments/reviews into meaningful conversations and people that complain into friends and see the process as learning and improvement. They are open and receptive, ready to experiment.

The OM adds:

“If you make a mistake then get out of it.”

She does not blame and fear mistakes and explains that in their mental model “…failure just means we need to try something different.”

“If someone’s done a negative review we’ll write to them just to say is this the reason you wrote the review because of this, or because of this or because of that, we try and do engage with people that complain, just like a normal complaints system. Yeah and turn them into friends as well kind of approach…”

The owner adds that:

“And it’s good for engagement obviously, cos it causes a conversation, different people on different side of the fence…”

6.2.3 Resources

The participants explained that they use only unpaid basic functionality of social media sites. Company B does not pay for advertising and have grown their company’s social media following organically. They use Tweetdeck streams and social media stats for monitoring people’s reactions and discussions. Other resources dedicated to content production are budgets for the latest technology gadgets, such as cameras, microphones, monopods, tripods, drone & GoPros, office supplies, phones, tablets etc.

They absolutely dedicate their team and their resources to social media activities and producing and sharing quality content, but no high-end software or systems are in place.
Additionally, the DMM explained that they read a lot of books to get information about the city’s history and develop interesting content. For their printing materials they use design books, inspirations from blogs, art galleries and Adobe software.

The DMM:

“one of the best ways you can learn anything is to throw yourself in the deep end, just sit down, open the program, throw some tools around, see what happens, work out how to make things look nice, read a lot, read loads of books and go to art galleries and look at the graphics there and look at how other people use the graphics.”

6.3 Assimilation & Sense-Making (Transformation)

The aim at that part of the research is to understand and demonstrate the MIATSM model’s process of interaction between operating and dynamic capabilities (assimilation and sense-making), and how the learning at operating level, developed through social media practices, affects decisions at a higher-order strategic marketing activities planning and decision making level, by elaborating on the enabling/hampering conditions.

6.3.1 Internal Culture, Structure and Systems

The MIATSM model components “internal culture” and “structure and systems” demonstrated that Company B’s ability to absorb and make sense of social media intelligence has been underpinned by a strong sense of helping the community, openness, not being afraid and strong resource scarcity. Their clear vision and strategic direction is embedded into the fibres of their culture, from the top (the OM) to the periphery (the DMM).

They exhibit a strong “learning by doing” approach, ability to tolerate and even embrace failure, without being afraid to learn or unlearn, and constantly change. Company B shares ideas and knowledge freely, ensuring that lessons learned from success and failure are captured and assimilated.

“…so, if that ever falters we just drag it down, look at it, work out why it’s not working and then try to work out the best way to redo it and then we keep doing that until we actually get successful posts, can’t sleep until we do.”
Company B does not plan future actions and tactics in relation to both their marketing and social media use on formal meetings.

“...there’s a lot of places just have meetings all the time, let’s have a meeting about this and sort the agenda out, by the time they’ve had the meeting about the agenda, and the agenda about the meeting nothing gets done, so we don’t ever have a meeting, we never have meetings, we just get on and work.”

“No, we just do it, and if we double up we just delete.”

Learning by doing is one of the core concepts for SMEs (Carson and Gilmore, 2000a). If they spot an interesting piece of information on social media, they get in contact with the company and ask for more information.

They use quite a simple internal communication system, such as WhatsApp and through an informal chat and sharing the important information. The MIATSM model application demonstrated an intuitive assimilation and sense making process, taking place in Company B, with a focus on human understanding rather than the technology itself.

The OM adds: “Shout across the room.”

6.3.2 Actors
All five employees get involved but with mainly the OM and DMM managing organisational social media accounts.

6.3.3 Resources
No particular resources have been dedicated to the process. They are constantly engaging in sense-making in an informal and ad hoc manner. The company builds their understanding on the already developed understanding and relationships or as recognised in the literature; they use their already developed absorptive capacity to continuously recognise, build and capitalise on further opportunities (Carson and Gilmore, 2000b; Shane, 2000).

6.3.4 Performance Measurement
The performance measurement of their social media use as part of the second process of the MIATSM model is then researched. As already discussed, Company B does not set up objectives and does not have a formal strategy or revising procedures. They are not setting objectives in advance. However, they are keeping track of leveraging followers’ base and
engagement levels through a deep engagement and human intuitive understanding, through Tweetdeck and by monitoring all the social media streams that the social media manager set up. Mainly he monitors these streams and gets notifications about what is going on.

A basic measurement system is in place: combined with entrepreneurial intuition and strong internal drive and sense of mission.

“I mean there’s red or green, like as in you can either be in the green or the red, you can either have less engagement than the previous week or more, so green or red and we’re always in the green, if we ever sink below like, if we ever have less engagement than the previous week we push ourselves way more, like double up just for that week to really get things back on track.”

“So, it’s keep it in the green. Yeah as long as we’re accelerating rather than decelerating, good.”

The evaluation and improvement process is in real time and a huge emphasize is laid on human understanding in accordance with mission and aims. Moreover, a trial and error approach is strongly underpinning their evaluation, underpinned once again by their dedication to not be afraid of failure. Complicated measures, software or analytics are not involved.

6.3.4.1 Integration of New and Existing Knowledge. Knowledge Storage

The next construct researched is the knowledge storage that also takes place as part of the second process depicted in the MIATSM model. The DMM explained that he uses the software Evernote and Ember. Evernote for making and keeping a massive database of everything that is going on; Ember for keeping a document of graphics; MailChimp, and their news and media company database have been also stated as knowledge repositories.

6.4 Exploitation

Through the MIATSM model lenses, it was identified that Company B’s frequent interactions with external and internal audiences led them to become proactive about the prospects identified, based on prior knowledge and absorptive capacity already developed. The latter in turn led to an emphasis on new knowledge and new technologies as drivers of development in multiple organisational aspects, discussed below.
6.4.1 VRIN Resources

Company B built and established themselves as absolute leaders, and moreover build and evolve their business entirely on social media. They reported a greater understanding of customer wants and needs, what their audience likes, and respectively what time of the day to post to get the biggest engagement. Many valuable, rare, inimitable and non-substitutable (VRIN) resources developed through the use of social media were also identified. Company B was very early on social media and developed large online community engagement, better targeting and build a recognizable brand and social identity. They are open and receptive and work hard on establishing connections with various stakeholders and then these connections work for them. Company B established themselves as leaders and as a distinctive and respected company which works on serving the local community.

“…at the end of the day if you talk to everybody they will help you back and it’s a massive community thing and I think at the end of the day we’ve always been open and honest and tried to help everyone we can”.

News and media leaders:

“I think cos we’ve got the largest voice everyone thinks it’s us that’s doing it, so we get questions…and we’re quite happy to answer it, but obviously it’s not our event but people come to us cos they think we know all the answers, so I think we do so much advertising and marketing that they come to us first before, it’s like we’re saying like the BBC they come to us now if there’s anything happening in [name of local area] they ask us before they ask the council, it’s cool.”

“I think we’ve created that by being really calm and being nice and helping each other and it sort of comes from within.”

People, community, traders tag them and take advantage of their huge community:

“Hey [name of OM] & the [company name] people! Was wondering if you’d be able to help out a local business who has lost their livelihood thanks to some thieves stealing all their equipment. It has put some fab local artists and some all-round lovely people out of a job and they could really do with all the support they can get. Would be grateful if you could share this donation page :) Many thanks! :)”
6.4.2 Crowdsourcing, Crowdfunding/Value Creating Partnerships

As a result of the established VRIN resources, trust, respect and leadership position, Company B has been constantly sent pictures, constantly source expertise, ideas, skills and resources from social media.

They have developed an extensive net of valuable connections in the area and have established their products as high quality.

“People know that our products will always be high quality because they’ve received them and we’ve had rave reviews about them and we collect those testimonials and we have testimonials about our markets”

Without necessarily aiming and realizing, they act as a social enterprise due to their absolute dedication to help and raise the profile of the city that pay off by building them as a trustworthy partner. Their markets contribute to the economic and social health of the city by helping local traders adapt to changing expectations of the people.

The OM and the DMM both explain that they actively encourage feedback from online connections and incorporate it in all aspects of their business to give them a sense of ownership in the process.

“So, it’s not really a problem so much as a little bit of a time consumer because by now we’re over that problem because we have so many connections from the city, we’re constantly being sent stuff so it’s that, but...”

“I think because we’ve established so many intangible assets like in terms of relationships with people, that means that people come to us first obviously, which is good against competitors, people will send us their content first for sharing because they know it will get to be seen by so many people”

With interactions developed through social media, absorptive capacity enabled the company with an ability to continuously build and achieve innovations in various organisational areas. Company B demonstrated a balance between managing existing operations and knowledge, and exploring and experimenting with new information and practices. See Table 12 for particular activities associated with successful ambidexterity in the context of Company B.
Table 12 Company B’s Activities Associated with Exploration and Exploitation Ambidexterity

<table>
<thead>
<tr>
<th>Activities Associated with Exploration and Exploitation Ambidexterity in the Context of Company B's Social Media Use and Marketing Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exploration</strong></td>
</tr>
<tr>
<td>Creating New/Different Experience</td>
</tr>
<tr>
<td>Focus on constantly broadening existing marketing knowledge base through the acquisition and creation of new knowledge;</td>
</tr>
<tr>
<td>Proactively searching for new opportunities / scanning, engaging with the local community; Adapting or completely removing or introducing new norms, routines, products, structure and systems;</td>
</tr>
<tr>
<td>Experimenting with new approaches and technologies, business processes, innovative marketing tactics and approaches; Aim to foresee long term trends and tap on unexpected opportunities</td>
</tr>
<tr>
<td>Constantly questioning existing beliefs, decisions, routines; constant evolution</td>
</tr>
</tbody>
</table>

By constantly accessing the skills and talents of others, they speed up innovation and uncover new ways to create value for their customers and partners and the wider local community.

“Yeah from like helicopter pilot all the way through to... Yeah we have a [name] like he works for the Royal Navy as a photographer. He does the aerial shots.”

The OM explains about one of the young artists:

“… but he does extra stuff obviously for me still and also he’s got some other work, I think he’s about to do a graphic novel and stuff like that so yeah he’s done well.”

6.4.2.1 Selling

Company B is using social media not only to promote their events and communicate but to acquire new customers. They shared that they once sold out a festival completely only through Facebook Events.

“I think because our event listings get so many people RSVPing to them on Facebook, we get a lot of market traders just seeing them randomly, then through that we instantly get a new trader cos they click through, they sign up, done, new person through social media.”
6.4.2.2 Recruited People

Moreover, the DMM was hired through Twitter. The OM says:

“I liked what he was doing social media and what he was doing on Twitter, he was really interacting with everybody, I liked his bio, so I got him in for an interview saying so you want to come and help Company B, do a bit of writing and he liked it, luckily we got him on to be an apprentice and now you’re a full-time employee, you’ve been with us three years.”

“… so yeah he’s a product of social media really.”

6.4.2.3 Example of Dynamic Capability

6.4.2.3.1 Establishing Value Creating Partnerships

The MIATSM model uncovered that Company B also developed collaboration and partnerships with external partners. Thanks to social media, they were able also to access key assets, by entering flexible win-win commercial arrangements with partners. Recently, Company B got into partnership with a big car dealership. However, they never compromise their mission to help the city and local community, and they promote an electric, environmentally friendly car which uses green electricity sources and emits 0% CO2.

Because of their established brand image, their social media reach and the access to key audiences and their fair and transparent image they were able to select a partner who aligns with their organisational philosophy and higher purpose to help the community:

“We’ve chosen the electric as the car of choice, due to its high suitability to a city environment such as [name of city].”

“We’re proud to say that [name of car dealership] is a [Company B name] sponsor! Love the [name of car brand]. So, nippy around town — and you just have to plug it in! Visit our website to find out more about this fab car: http://[url link]/”

The OM: “It’s very exciting that a branch of a large firm such as [name of car brand] is investing in and partnering with a small independent venture such as ours.”

6.4.2.3.2 Developing new product and marketing programme

They actively participate in discussions such as supporting breastfeeding, and support the local mummies’ community, which is one of the biggest in the UK.
Recently, the company joined the discussion against the discrimination of breastfeeding in a public place. They stood against the Facebook decision to take down a photo of a breastfeeding local mum, and the people that reported the photo as inappropriate. Company B has developed a new top design to express support to the local mums’ community (see Figures 20 and 21). They once again demonstrated their dedication to help and support the local community.

“Crazy world that a picture of a [name of location] mummy breastfeeding her baby gets taken down from Facebook! #[name of company]”

Not long before the submission of the project, the company was selected as a media partner of one of the biggest international sailing competitions for 2016, passing through the city.

“At [name of media daughter company], we’re tremendously excited to be an official digital media partner for the [name of sailing event] events taking place in our city this summer.”

A project map, which represents a visual representation of all the different items associated with Company B is presented in Appendix N, Figure 35 to demonstrate the rigour of the data analysis process. See also Appendix Q, Table 56 for an exploratory diagram of all
instances of data coded under the case Company A, which demonstrates the depth of coding and analysis.

### 6.5 Conclusion of Case Study Narrative Two

Through the MIATSM model, it was uncovered that Company B is very agile organisation that is very sensitive to signals in the marketplace, spotting and reacting to new opportunities, shifts in customer preferences and tastes. Company B successfully searches the environment and identifies unaddressed gaps in the market. The company exhibits an advantage over competitors in terms of alertness, speed, accuracy and efficiency. The application of the MIATSM model enlightened that Company B’s OM has an in-depth understanding of their markets, skills and a continuous improvement and experimentation mind-set, which position the OM to differentiate their company and products, services, and experiences, without exposing the company to unnecessary risk and by “Always keeping on top” and adapting. Company B penetrates the market through exhibiting organic growth based on a continuous improvement of existing activities and gradual accumulation of absorptive capacity, in terms of product or process it increases quality and productivity, which enhance the value proposition. Company B’s absorptive capacity routines functioned as key knowledge-based mechanisms enabling operating capability performance and dynamic capabilities development. Even if their products can be copied, their internal climate and processes driving their dynamic capabilities in marketing and sales are a unique source of competitive advantage. Last but not least, the OM has been very clear in providing the right signals from the top and establishing clear direction and organisational philosophy.
7 Case Study 3: Young, Non-Profit, Social Enterprise

This case study investigates the social media use of a young combined (traditional and knowledge-intensive) social enterprise, operating in the South East of England. The data collected for Company C was coded under key constructs of the MIATSM model: absorptive capacity on operating and dynamic capability levels. The analysis examined each construct of the model separately, and then how the three routines developed over time. The MIATSM model enabled understanding and identification of patterns in Company C’s marketing activities which were the result of their social media use. In order to draw inferences about how social media intelligence impacts the interactions between operating and dynamic capabilities, resulting in organisational marketing evolution, this research consisted of four phases, as per the MIATSM model.

Data was collected through interviews with the company’s Owner-Manager (OM) and the Marketing and PR Officer (MPRO) and triangulated with social media data, work environment observation/office visits and informal discussions with employees. The interview participants were selected as they are the ones responsible for planning and execution of organisational social media on a daily basis. Therefore, they are able to elaborate on the processes of interest on both operating and dynamic capability levels. The MPRO has worked for Company C for 14 months. Separate interviews were conducted with the OM and the MPRO.

7.1 Background/Prior History

Company C, a fundraising company that operates from offices in the South of England, was chosen as a representative, young, combined (traditional and knowledge-intensive) SME. Company C is a social enterprise, founded in 2012. The company links charities with corporations to raise money for charities in various ways, and provides opportunities for students or those unable to get conventional hour jobs to apply for apprentices, volunteering, internships or placements. Recently, the owner-manager also founded “Company C Marketeers” and “Company 2 Events” to further support Company C Fundraising. The Company employs between four and nine people. At the time of the interview there were five employees at the company.
Although Company C is the only one of its kind for social enterprise in the local area, the company is currently experiencing difficulties as reported by the OM, and recently the OM had to find a second job.

“I have a second company that runs alongside my social enterprise and another job which pays for the social enterprise really, and my life.”

Both the OM and the MPRO hesitated at first when asked about the company’s mission and vision. After the initial hesitation, the OM and the MPRO elaborated on the mission statements. However, there were obvious discrepancies between the communicated mission statements.

The owner-manager explained:

“My mission is to provide fundraising facilities for as many charities who need us, I would like to be in a position where we have lots of charities all working with us, all holding events or asking us to do grant applications or funding or anything like that.”

The organisational values as communicated by the owner-manager are:

“and our values really, we’re a social enterprise so we like to provide work experience opportunities for students or anyone looking for that experience as a route back to work.”

On the other hand, the MPRO communicated the mission around helping ill people:

“The company mission is to support the people who are living with cancer and also their families and everyone who is affected with cancer, who is diagnosed.”

7.1.1 Marketing Practices/Strategy

To gather understanding about company marketing strategy the participants have been asked about their current marketing strategy, plans, tactics. There were, however, certain discrepancies in the participants’ answers.

The MPRO stated that the company’s management is currently working on developing their organisational marketing and social media strategy.

The MPRO says that:

“We’re planning, we’re having something, it is a kind of draft, I was mainly responsible for the social media and I researched what are the others doing and
what kind of activities should be done, who should do what, when and how and what kind of presence is relevant to us, which channels we can use, which we don’t.”

On the other hand, the owner-manager responded positively when asked about company marketing strategy.

“Both yes, I’ve a marketing strategy and in that is included a very brief summary of the social marketing.”

The OM also explains that they have a separate strategy for social media where different types of target groups have been defined and respective social media channels to access these groups selected, as claimed by her:

“…so quite a lot of work has gone into how we use the social media and generally how it falls into line with the other marketing channels.”

There are obvious discrepancies between the participants’ answers, and the reason appears to be a miscommunication between them. The MPRO appears unaware of the organisational purpose, mission and strategic goals. The latter could also be due to the fact that the MPRO is at the very beginning of her marketing career, and has been appointed only 14 months ago. It was clear to the researcher after the interview that the MPRO has not been involved nor is aware of the higher-order aims, mission, objective and strategy of the company.

Similarly, when asked about their target audience, there were discrepancies in the participants’ answers. The MPRO defines the target audience as “ill people”. However, the target audience, as described by the owner, are charities and corporations, and from the social side of the business, university students which could join the company as apprentices. The owner-manager considers their unique selling point (USP) to be their social enterprise, that she actively promotes through social media.

Example of Facebook posts, promoting their business services and social enterprise:

“We are looking for events to run and projects to help with to help our students get valuable work experience in marketing and administration and event management. If you have anything needs doing (starting in October) then we can help!”

“...we don’t get much help as a start-up and being a social enterprise we are often over-looked because people don’t understand the concept of business for the social
good yet but we are getting there with the help of [name of company]. Thank you!”

“Here’s why [name of Company C] exists – to take charities away from waiting for a cheque to be posted or sitting tight and spending nothing but instead to give people something for their money, some return on their support by seeing what charities can achieve. Social enterprise! Work more on business development and speculate to accumulate...”

7.1.2 Social Media Adoption Triggers, Market Dynamism

Both interview participants describe their business environment as dynamic. The MIATSM model construct “Triggers” showed that the OM introduced social media mainly because it is free of charge, so mainly through exogenous triggers.

In terms of social media objectives, the OM adds:

“Yes, definitely because I know what I’m trying to achieve and most of the time it is to engage with people and get them to come to events, get them to donate something, get them to become a supporter of the particular charity that I’m working for.”

However, the MPRO elaborated more on helping the people, building awareness. Again, the same issue of miscommunication between employees emerged. It seems that the MPRO is aware of and working only on execution of short-term, tactical projects/tasks, without being informed of the long-term direction and purpose of the organisation or marketing strategy.

The OM highlights that they are revising and adapting on a daily basis:

“It’s fast-paced and I would say every day, every day we look at what we need to do that day, it’s not something that we sit on and just work and you know...”

The MPRO on the other hand, does not perceive, and does not report these daily adjustments as revisions, and comments that revisions need to be executed on an annual basis, something that still has not been done at Company C, due to the fact that the company still does not have a strategy.

“We did not have any strategy detailed determined by this moment, so we’re now at the moment we’re doing our strategy and it’s only for one year and then we will have another revision of the strategy, after a year.”
I already told you that we don’t have defined objectives so.”

Obviously, the latter contradicts what the OM said. The MPRO does not see the business side of their social enterprise. The OM does not see the business side of their social enterprise. However, it should be noted that Company C’s data was collected through separate interviews, and the participants were not able to compare answers or hear what the others are saying. The latter could be another source of such discrepancies.

7.1.3 Social Media Use on a Daily Basis

The OM claims that they use social media to find new potential prospects, reach new audiences, and engage and develop relationships with the existing audience. Both the OM and the MPRO highlighted that they mainly promote their future events and sell tickets on social media.

Company C extensively use social media as an outbound marketing channel, to push and promote their events. An example of an event-promoting Facebook post can be seen below:

“Please come to a Summer Fair and Dog Show (free unless you have a dog in the show, £2 per category – beautiful rosettes!) in aid of [name of charity] in [name of location and post code]. Set to be 24 degrees by the seaside. Amazing line up in main arena – even got [name of dancers], [name of band], [name of singer] singing on a Sunday afternoon. Stalls galore! Please join us....”

“Picture your perfect networking evening…”

“Drinks on arrival, two games of bowling, networking, dinner and a raffle. Its sure
to be a great evening! For only £12.50 per person just by coming along you will support [name of charity]!”

The OM adds that they experiment with their social media, and use it on a “…trial and error basis”. They post two or three times daily to inform audience about news, what is going on with the patients, how the money raised for particular events has been spent.

“Yeah, we’re trying yeah, we’re trying to ask them to share their stories with us, to share their experience with us.”

The MPRO also feels that social media is a central element of their marketing, but however depending on the particular event that they promote, they combine it with other media, such as face-to-face promotions, fliers etc.

The MPRO also highlights that they experience severe resource and time constraints. The latter is supported by the numerous posts which were found through the social media thematic analysis, asking for help and volunteer recruitment:

Example of a Facebook post:

“We still need some great volunteers for the [name of fundraising event] on [date]. Can you help? We promise it will be a really fun day and a great experience!”

The NVivo word frequency query of Company C is presented below (Figure 24), which contains a list of the most frequently occurring words, themes and concepts in their social media posts.

Words such as: “please”, “help”, “fundraising”, “support”, “trust”, “need”, “charity”, “name of town”, “book”, “auction”, “children”, “cancer”, “help”, “come”, “running”, “name of company”, “tickets”, “raise” were further investigated. These words confirm their explanation that they mainly use social media to sell their events and promote fundraising events in an outbound fashion.
7.1.4 Sources of Market Intelligence

The MPRO highlights the important role of social media as a market research tool. The OM adds that social media is particularly important for competitors’ action monitoring, benchmarking and adopting best practices.

“Checking on social media, listening, following the most important people and some stakeholders I guess to see what is going on.”

“Yeah, we’re trying visiting their website yeah to see also their profile on Facebook, on Twitter, what kind of events they’re having, what kind of thing they’re posting, what kind of interaction people are having with them.”

The MPRO highlights that she mainly collects competitors’ information through the use of social media. The OM perceives social media as a communication tool that needs to be used in a combination with other tools in order to deliver results.

“… we wouldn’t run it by itself because we need the face-to-face promotions, the marketing, you know the engaging with charities, engaging with the public, but it’s been central because there are so many different ways that we can express what we’re doing with constant updates.’

Both participants also note that face-to-face networking skills and networking events are very important. Moreover, the OM also adds that they consider the limited networking
opportunities available in the city as one of the reasons for the current difficulties their business is suffering.

“I think probably it would be marketing, it would be extra networking, it would be expanding the contact database and just networks and getting the word out there; around here and certainly in Hampshire, it’s probably the same everywhere, it seems that it’s very small cities and they really, you know it’s not like London or Brighton or somewhere, you really do have to network and I think that’s the only way.”

The MPRO adds that she has never been to a networking events, which once again confirms the fact that she hasn’t been introduced to the core of the business.

“Honestly I have not been for now but I think that I’m going to.”

Moreover, both participants report the time constraints as an issue.

“you can spend the whole day on social media, but I have also other things that I need to do so I can spend no more than an hour or two hours on social media in a day.”

The MPRO mentions that to her the internal communication is an issue:

“the biggest problem is the internal communication has to be improved, so I’m trying to find other channels to improve the communications.”

The MIATSM model’s three learning processes and impacting conditions have been synthesized in Table 13, which shows the interlinking role of the market intelligence supplied by social media at the operating and dynamic capability level at Company C. Discussion of the main findings at each learning process level and the enabling/limiting conditions follows.
Table 13 Absorptive capacity processes and impacting conditions taking place at operating and dynamic capabilities level at Company C

<table>
<thead>
<tr>
<th>Absorptive Capacity Processes</th>
<th>Operating Capability</th>
<th>Conditions Impacting</th>
<th>Internal Culture</th>
<th>Structure and Systems</th>
<th>Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition &amp; Absorption</td>
<td>Daily Use of Social Media, Outside-in activity of Recognition, Creation &amp; Acquiring of Relevant Information; Sources of Information: very limited use of social media market intelligence, mainly offline networking (only the owner manager), traditional media, reports, news;</td>
<td>Miscommunication between OM and MPRO; Individualistic nature of the OM; strong sense of direction and purpose demonstrated by the OM but not well communicated to the team, unable to transfer her drive and motivation to other employees; severe resource, time, financial constraints; leadership initiated social media adoption but is not using it to inform themselves due to lack of time, not perceiving it as a source of market intelligence; Social media is used on a campaign base, no strategy, no goals; mainly used to promote events;</td>
<td>MPRO says internal communication should be improved; e-mails other employees encouraged to report to the MPRO but their use of social media is restricted;</td>
<td>Only the Marketing and PR (MPRO) responsible for social</td>
<td></td>
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</tbody>
</table>
7.2 Absorptive capacity as an operating capability – Recognition and Absorption (Exploration)

The second stage of the research is focused on the MIATSM model’s process of knowledge recognition, creation and absorption, and the enabling/hampering conditions of this initial process of absorptive capacity formation.

7.2.1 Internal Culture, Structure and Systems

Currently, the OM considers herself the only one spotting market intelligence, and she explains that she does not have a lot of time to monitor social media channels.

“I tend to, I have on my links I have social enterprise magazines, I have third sector magazines, I subscribe to the BBC News updates, things like that, and I keep up with what’s going on based on updates that come through social media, but that’s just my own personal use of social media that I then use in my business, like I say it’s me that spots things, it’s not a policy that I would then use social media to go out and find information, it’s incoming and if it happens to be of note I use it."

The OM points out also that she uses mainly traditional media and print reports to inform herself about news, industry trends and new opportunities. They are not reading online currently which indicates that they are not perceiving nor using social media as a knowledge source. However, the OM adds that their expectations are that the MPRO will take soon over some of the analytical functions.

In terms of structure and systems for internal communication, the participants point out that they use mainly e-mail, the company’s intranet, and rarely Gmail chat for informal communication.

The MPRO, on the other hand, also confirms that she is not a decision maker, and depending on the particular case usually she will refer the information to the relevant employee, and discuss it with the owner or other team member.

“We’re discussing it with our team and try to find a solution together and yeah, there are some decision makers so, I’m not a decision maker.”

The researcher considers that the latter have a huge impact on how social media is used and understood. Through the MIATSM model application it was discovered that the owner does not have the time to do evaluation, and the MPRO is not aware of the purpose and
objectives of social media use. In addition, neither of them perceive social media as a knowledge source.

7.2.2 Actors

The MIATSM model revealed that the OM is taking business and marketing related decisions in isolation, and driven by their individualistic nature and ambitions. The general lack of time that the OM experiences, due to them also being employed in another company, and the scarcity of resources are other factors that prevent her from reporting back to employees and developing the team. The individualistic drive, energy and motivation of entrepreneurs have been discussed as a particular challenge for SME success in the entrepreneurial literature (Mccartan-Quinn & Carson, 2003; Wang & Chugh, 2014). Research shows that entrepreneurs and founders of SMEs are very often poor team players and fail to transfer their drive and passion to employees (Stringer 2000; Lanza & Passarelli, 2014).

As a consequence, the MPRO works on short term, tactical campaign-based projects, which is also described in the SME literature (Harrigan, 2011). The MPRO is not involved in the strategic planning of goals, aims, strategy, moreover is not aware of them. Although, the company has a clear differentiating point, the latter has not been well communicated both internally and externally, because of the OM’s limited time, resources and expertise. The fact that the MPRO recently joined the company only explains to a certain extent her lack of awareness.

7.2.2.1 Negative Comments and Bad Reviews

The interview participants could not recall an example of where they had to deal with negative feedback on social media.

Although Company C’s employees have been encouraged to refer interesting information to the MPRO, they have been restricted from managing and contributing to the company’s social media presence. The MPRO also explains that many people within the company are sending her information to be posted on social media, or events to be promoted. However, these are only outbound social media activities, and it seems that company members are not realising the importance of social media as an inbound channel. Additionally, there are no particular incentives or investment in developing the employees’ skills or in motivating them to use social media, nor guidance or social media policies.
The OM states that she assumes that employees:

“...would come with a certain amount of enthusiasm, some of them don’t though, it’s quite surprising, they turn up and they just don’t really want to do what you’re asking them to do, and so they don’t last.”

7.2.3 Resources

No use of external suppliers or specific software for market intelligence gathering have been reported.

7.3 Assimilation and Sense-Making (Transformation)

7.3.1 Internal Culture, Structures and Systems

Surprisingly, both participants agreed that they are evaluating incoming intelligence on the basis of their objectives, despite the fact that earlier in the interview the MPRO explained that they still do not have set up objectives.

MPRO points out that usually posts achieving a high level of engagement have been discussed and analysed by the OM. The OM also considers herself the only one currently spotting interesting information on social media, however the OM highlights that they expect the MPRO to take over the evaluation soon.

“Well it’s been me but now [name of MPRO]’s on full-time I would hope that she would start reading things and she’ll start picking up stuff so I don’t have to do it.”

The MPRO confirms the last by highlighting that she always looks for a second opinion:

“So, you would usually go and say to your line manager... Yeah or I can suggest something, we can discuss it and find a solution together because I may not see other problems that may arise so that’s why it’s good to discuss it...”

“We have a weekly meeting so we are discussing everything, what is happening, new ideas, what someone noticed, what we should do.”

The OM did not set a clear direction, and this made it difficult for the MPRO to identify information of interest. The MPRO does not have an understanding of the long-term strategic goal, nor the time needed for formal evaluation.

The MIATSM model’s second process of assimilation and sense making revealed that the OM is unable to transfer to the company’s employees their drive and motivation due to
also being employed in another charity while running their own social enterprise. Moreover, the OM and the MPRO did not have enough time, expertise and skills to develop their social media strategically. Research on DCs development by entrepreneurs links the ability to develop DCs to the psychological and social traits of the entrepreneur (Lant, 2003).

The OM: “if it happens to spot, it’s used, if not….”

7.3.2 Actors
The MPRO is responsible for organisational social media use and is the only one currently evaluating external market intelligence, however, she does not perceive social media as a source of market intelligence, nor is she aware of organisational strategic direction.

7.3.3 Resources
No specific software or external suppliers were reported as employed in the process of assimilation and sense-making. No particular resources have been dedicated to it, except the usual office equipment such as computers, phones, office space and stationery.

7.3.4 Performance Measurement
The OM highlights once again that they are very busy and unable to dedicate time and resources to evaluation of their social media use. Once again, the time limitations of the OM emerged as a key constraint. The latter combined with the fact that the OM pointed out that they mainly rely on the traditional press as a source of market information, confirms once again these constraints identified through the application of the MIATSM model as detrimental to their social media use, and to possible marketing benefits/outcomes realisation.

The MPRO also confirms that they do very basic evaluation currently:

“Well, I’d like to think that yes it would come to that and we will start doing some evaluations and at the moment they’re not being done, we’re taking one project at a time, we’re making an assessment, we’re doing a project plan and if it works it works, if it doesn’t we cancel.”

The OM considers that social media impacts their understanding of what type of content drives better engagement but does not perceive social media as a knowledge source, contributing to marketing development.
“Absolutely yeah, what to do, what not to do, and so it’s a sort of information for me rather than me actually believing that it’s making a difference to my business, you know it probably is but...”

The OM says that the criteria for performance measurement is how many tickets they have sold, but it’s difficult to assess the contribution of social media and they don’t evaluate it.

The OM:

“but certainly, the engagement piece and the conversation through Facebook would lead us to think that some events are more as a result of social media than others.”

Despite the above, the OM explains that she does not consider social media as a central element of their marketing, nor does she see it as a knowledge source. However, she, considers the lack of evaluation of their social media practices as one of their weakest areas.

“...and like I say we do a marketing plan and we work from that but it’s the evaluation that we definitely fall down on.”

7.3.4.1 Knowledge Storage

As part of the second process of the MIATSM model, the knowledge storage routines of the company were researched. Company C does not employ a particular knowledge storage procedure or system. The information storage on a CRM database is only partly integrated, and they feel that their CRM database is very complicated to operate, and does not fit their micro business context, nor connects with their social media intelligence. The incompatibility of traditional off-the-shelf CRM databases to SMEs’ diverse and flexible structure and smaller size has been discussed in SME studies to date (Daud and Yusoff, 2010; Durst, 2012).

“...it’s a massively lengthy job and it’s finding time and resources to actually get the job done...”

The MPRO:

“No, it’s not a clear process, but yeah we want to do something uniform and update those databases from social media and everywhere”
7.4 Exploitation

The third process of the MIATSM model represents the actual exploitation of the market intelligence accumulated and transformed into marketing practices. Company C engages in exploration activities in terms of outbound promotional activities through a combination of social media and traditional channels. The company makes limited use of social media in terms of application of intelligence gathering for development of marketing capabilities. Company B is not ambidextrous in balancing exploration of new information and exploitation of current knowledge and operations, and is demonstrating absorptive capacity development neither at operating nor at dynamic capability level (see Table 14). The company engages in limited recognition, creation and assimilation practices, and does not employ sense making and evaluation initiatives. The latter have also been confirmed through the social media thematic analysis. Company C’s posts are mainly about event promotion, volunteer recruitment; or mainly push marketing approaches have been employed to date.

Table 14 Company C’s Activities Associated with Exploration and Exploitation Ambidexterity

| Activities Associated with Exploration and Exploitation Ambidexterity in the Context of Company C’s Social Media Use and Marketing Development |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exploration Creating New/Different Experience    | Exploitation Creating Reliability in Experience                                                                                                                                                       |
| Not enough exploration activities, Social Media is not perceived as a source of market intelligence to broaden the existing marketing knowledge base; | Existing knowledge-base is also not leveraged and marketing practice is unplanned, unstructured and campaign based; Goals, higher purpose are not well communicated and existing marketing practices, processes culture, systems and structure are disjointed and chaotic |
| No experimentation, copies competitors and mainly promotes events; no long term orientation and goals; Not perceived as a source of knowledge and innovative marketing practices | No established competences processes; Focus on routinisation of use of social media; short-term orientation |
| Rarely question existing beliefs, decisions, routines; time & financial constraints; lack of strategic direction; miscommunicated mission | Elaborate on campaign-based beliefs and decisions |

7.4.1 VRIN

However, in terms of intangible resources derived from social media use, both participants agree that they are definitely developing a better understanding of their audiences, seeing
what is successful and what is not in terms of content type, and developing business awareness, using WOM through their social media use. The OM agreed that social media also contributed to the development of relationship marketing and loyalty.

The MPRO highlights that they aim to raise awareness by developing and sharing on social media case studies of people they have helped. These case studies achieve a high level of engagement and enable the development of a storytelling capability.

“Yeah, I can say for example we had…it was a really successful post because it reached many people in quite a short time, we had this event, we helped one girl who had a cancer to go to a concert to see her favourite singers and we had like a small story about her and her picture, and everyone was so happy with it, thank you, that’s lovely...”

“...there were so many people engaging with it. We also had one other which was with children with cancer, they went to meet the fire engines, yeah it was really good and there were quite a lot of comments, oh that’s great, what are you doing, and our posts reached...”

Through these case studies the company was able to connect with people in a meaningful and impactful way by generating engagement and evoking emotions, as described by the MPRO. The latter could be considered a pull marketing strategy that could lead to further engagement and marketing activities development, and therefore is considered a unique way of organisational VRIN resources, and emotional reactions to their brand development.

Interestingly, these case studies could not have been found through the NVivo social media thematic analysis, neither through the performed word frequency, key words and the follow-up word trees queries (see Figures 41-44 in Appendix P). Through the word frequency queries, words were identified that could be associated with these case studies, and the latter were further followed up but they did not lead to the case study/posts identification. Words that might be associated with the two case studies were followed up but no link with the case studies mentioned by the MPRO was established. Although more than twenty various queries were conducted, and frequently used words were further researched, no evidence for the existence of the case study was found and the social media data is not reflecting what was said by the MPRO on this occasion. One explanation could be that the MPRO deliberately provided these examples of successful posts, or possibly
these case studies were still under development when the interview took place, or possibly this is another example of discrepancy appearing between what is said by the MPRO and the reality of their business practices.

7.4.1.1 Recruit Volunteers and Selling Events

Through the social media thematic analysis, a number of examples of posts have been found of Company C using social media to recruit volunteers and raise funds. They also reported that they sell their events through the use of social media.

7.4.1.2 Unlearning as a Dynamic Capability

Although, as already discussed, the company was not employing social media strategically nor perceiving it as a source of knowledge for marketing development, the researcher identified during the interview with the MPRO that they were able to spot a particularly important information about a competitive event planned to run simultaneously with one of their events. The social media information helped them realise that this event was a threat to the success of their own event, which would result in financial losses. Due to the market research that the MPRO was constantly conducting, she was able to spot this vital information, discuss with the OM and cancel the event on time. Therefore, as a response to this realisation they were able to react quickly and prevent financial losses by unlearning/cancelling their event, and in that way, they also avoided mistakes and saved costs by ending their marketing promotional campaign.

Their small size and flexible organisational structure enabled a quick reconfiguration and unlearning (Gilmore, Carson and Rocks, 2006; Gilmore, Carson, Grant, et al., 2006; Mccartan-Quinn and Carson, 2003; O’Donnell, 2011).

“...one of our events was cancelled because there was another event in the region, a similar one, and we did not go to enough people and maybe most people know about this on social media I am guessing. Yeah, we’ve found the information on the social media, that’s how we found out about this event coming…”

The application of the MIATSM model indicated that on that occasion the company was able to develop quickly absorptive capacity, transfer it successfully to strategic level and transform their marketing programmes and unlearn as a result. This absorptive capacity
developed at operating level is considered a real-time learning process in which Company C learned to solve unexpected problems (Miner et al., 2001).

A project map, generated by NVivo, is presented in Appendix N Figure 36, which represents a visual representation of all the different data sources associated with Company C, and demonstrates the high level of data analysis performed and data triangulated. See also Appendix Q, Table 57, for an exploratory diagram, depicting all instances of data coded under Company C, which demonstrates the depth of coding and analysis.

**7.4.2 Conclusion of Case Study Narrative Three**

The MIATSM model enlightened the resource and time constraints which Company C experiences as impacting on their ability to develop positive marketing outcomes as a result of their social media use (Stinchcombe, 1965). They have access to social media market intelligence but they do not perceive social media as a knowledge source, and do not proceed, make sense of, or re-apply the available market intelligence. Through the MIATSM model lenses, the following hampering factors were identified:

- Severe resource and time constraints, the newness of the company
- The individualistic nature of the OM
- The MPRO’s lack of understanding of the higher-order aim, mission and purpose of the organisation
- Limited internal communication.

The MIATSM model demonstrated that Company C could not align their overall corporate strategy and the digital initiatives that they are pursuing in order to transform their core business system and to pivot their business model toward growth. They are a unique social enterprise for the local area but are not communicating their competitive advantage and differentiation clearly, although the case studies that they currently develop and share are considered a move in this direction.
8 Case Study 4: Established Knowledge-Intensive SME

This case study investigates the MIATSM model’s processes of seizing, sense-making and exploitation of market intelligence from social media in an established knowledge-intensive, old SME, operating in the South East of England. Company D, an established knowledge intensive, high value manufacturing company that operates from offices in the South of England, has been chosen as a representative old advanced manufacturing/knowledge intensive SME. Company D is an international company, and a global leader in its field of manufacturing process control equipment and packaging equipment. The company has been established in 1947 and employs around 150 people globally.

The data was collected through in-depth interviews with the company’s Human Resources and Marketing Manager (HRMM) and the Sales and Marketing Administrator (SMA), and triangulated with social media data, and informal discussions. The company office was not visited due to its distanced location. The interview participants were selected due to being responsible for organisational marketing activities, and therefore were well positioned to elaborate on the processes of interest. Both participants worked for Company D for more than ten years, and have an in-depth understanding of the business.

The data collected for Company D was coded under key constructs of the MIATSM model.

8.1 Background/Prior History

The “prior history” construct of the MIATSM model was the first construct researched, likewise the other four cases. Company D operates in the mechanical and industrial engineering sector. Company D’s product portfolio combines high-speed mailing machinery and packaging machinery, offering both standard and tailor made solutions. The company’s products have been used by B2B high-volume clients such as: banks, building societies, government agencies and public sector organisations.

Company D has the leading position in their industry. The interview participants share that they win customers by well established relationships with existing customers and traditional WOM. Their organisational competitive advantage stems from the high quality
of their products, and the personal touch of their business. The company is family run, in comparison to their main competitor, which is a large corporation.

Company D market environment has been described as dynamic.

“…it is a dynamic industry because it’s constantly, it’s all about innovation, who’s got the latest kit, who’s got the latest clever idea, so it is dynamic, but the mailing industry is still a bit rocky, packaging industry booming, everybody’s always going to want to wrap something aren’t they, food whatever”

The main problem, as pointed out by the respondents, is that the company needs to adapt to a very dynamic market that is being disturbed by the digital technologies.

HRMM explains that:

“…banks and building societies, those sort of people, are tending not to post out, bank statements and a lot of billing now is done online, so mailing volumes have dropped considerably…so we had to diversify into packaging because of the issues in the mailing market in the UK.”

Their main competitor has been described as a corporation with unlimited resources that “…can whip the rug out from under us”.

Another, highlighted problem is the economic downturn that has had a huge impact on company’s profit. This is highlighted as a reason for recent business diversification into the packaging industry which facilitated their recognition of the booming packaging market, and the already available technical expertise in house.

To understand organisational internal drive in terms of the organisational higher purpose, mission and vision, the interviewees were asked about company’s mission but neither participant was able to recall it, and directed the researcher to their website to check it. Moreover, they explained that there is not a mission statement at all for the packaging side of the business.

8.1.1 Marketing Practices/Strategy

Company D’s marketing practices have changed dramatically in recent years, from traditional outsourced to agency high-budget marketing activities to an in-house marketing with a huge budget cut, described by the HRMM as:
“a tenth of what we spent in those days, and most of our marketing now is digital I have to say, that’s been a massive change, massive, we don’t advertise, we don’t throw three or four thousand pounds at a quarter page advert in a printed magazine, we just don’t do that…”

The participants explained that around two years ago they hired a market research company to conduct research on market opportunities and gather extensive client insight on their behalf. The HRMM considers this as a focal point in their company marketing activities, as it led to a huge change in their overall organisational marketing approach, from being self-centred to becoming customer-centred.

“we stopped talking at our customers about our machines and started talking to our customers about things that were of interest to them and ultimately building relationships with them, so that fundamentally changed the way that we did our marketing completely”

The customer insight gathered through the conducted traditional market research highlighted a few key issues for the company:

- the lack of customer relationship management, and
- a need to change the company image from an impersonal cold corporate image to personal relationships and long-term focus on clients.

Company D redesigned their website as a result, in order to accommodate those changes and become as the HRMM claims: “…all about people not machines…”

“I try and touch the customers regularly in some way and try and build relationships with them – it has changed dramatically.”

In addition, the research findings highlighted social media as a critical medium, where their customers interact already:

“…the information that came back did tell us that’s where our customers were, they were out there on social media and that we needed to start engaging with them and so that did become part of our marketing strategy, very much so and particularly with content creation and that sort of thing, but as I say, over time it’s just resource because it tells us that yes our customers are out there, yes they’re all talking about things that are important to them and likewise that is important to us, so it’s not that
we don’t recognise it’s a really important part of what we should be doing, it’s purely that we can’t spare the time to devote to it.’”

Company D’s marketing strategy, however continues to be traditionally planned, and executed mainly around pushing messages on a one-to-many basis, and pitching their products.

“I produce every year a marketing strategy book if you like, and it essentially sets out all the parts of marketing that we’re undertaking that year, so PR and press, email campaigns, case studies, that kind of thing, features, so it’s a wheel, I produce a wheel, and we plan at the beginning of every year what our content strategy’s going to be, so what products and services we’re going to focus on throughout the year…”

8.1.2 Social Media Adoption Triggers, Market Dynamism

Although, as suggested by the participants, on the mailing side their business is stable, rigid and driven by personal contacts, and without any evident threat of new entrants, the industry sector in general is highly disrupted by the digital technologies.

“It’s very much an old boys’ club, everybody knows everybody, and if there is somebody who’s going to be refreshing their equipment you know, no salesman worth his salary wouldn’t know about it, so that’s how business is driven.”

They rely on traditional WOM, and look like they are resilient to change due to leading market positioning and established traditional routines.

The MIATSM model application indicated that Company D introduced social media not long after traditional research pointed out social media as the medium where their customers interact. They hired an external “social media guru” to train the staff but it did not work out. Both participants described that they had a very disappointing experience with the hired “social media guru” that actually turned them off social media.

“Well as I said earlier we tend to switch off with the lady I mentioned to you earlier who just used rubbish, when we first started engaging with social media we were all very motivated but very quickly became saturated and thought...”

“There’s too much rubbish, and it turned us all off to the point where we’ll use it if it’s meaningful and we can get something from it, but just the amount of garbage that’s out there is off-putting from a company point of view.”
The HRMM then hired a marketing assistant who managed the organisational social media but she left the company, and since then the social media management has been outsourced. Currently, a digital agency looks after all of their SEO, as well as websites, social media, content creation, paid advertising.

“…they’re the ones that are pushing out the content and replying to other people and that sort of thing, and I pay for that.”

The HRMM explains that they feel that they should be doing their social media in house.

“…they know that they should be doing it, and they feel terribly guilty that they’re not, but...”

8.1.3 Social Media Use on a Daily Basis

Company D’s marketing and social media revisions have been described as dictated by their parent company, mainly on the basis of new product launches planned for the year.

“The planning is done with us and then in consultation with them, we know what products we need to push for the coming year, we know generally what’s happening, we know what events we’re doing so we have an outline plan and we just work it out with them, and constantly change it if [the agency are] focusing on a product that we’re actually not going to be selling or is not doing very well then I’ll pull them off and say look you know, focus on that now”

The application of the MIATSM model showed that Company D acts as an intermediary between their parent company and their digital agency, and thus needs to balance complex communication flow. Moreover, the HHRM applies a traditional push marketing approach.

“Absolutely yes, and that has to tie in with our content planner at the beginning of the year, because these things have to happen at the same time so we’ve got our PR guy working on a, pitching something to the press, it has to be simultaneous with something that they’re doing and we’re doing in-house otherwise it’s all over the place.”

The company has an annual plan, a six-month plan, and monthly and weekly meetings for revisions, although the HRMM claims that they try not to deviate from the plan.

“if we need to turn something around or change something then we will, we try not to, I mean I say a year but it’s really six months isn’t it, and then we’ll sit down
with [the agency] again and look where the market is, look what the opportunities are, what’s working, what’s not worked, what not to waste any more budget on.”

The interview participants share that the agency that they hired does not have industry knowledge, and although there is a dedicated team working on their account, these people do not have sufficient understanding, particularly of the mailing business.

“…they do struggle a little bit particularly with the mailing machines, cos this stuff is mind-blowingly clever; the packaging side they understand a bit more, particularly around food, that’s not quite so alien, the mailing side of the business is alien to them which is why I would say 80% of our focus is packaging in social media, and their focus.”

The NVivo word frequency query of Company D is presented below in Figure 25, which contains a list of the most frequently occurring words, themes and concepts in their social media posts.

The most frequent words are: “[name of company]”, “products”, “solutions”, “packaging”, “wrapping”, “[name of parent company]”, “machine”, “industry”, “print”, “produce”, and “food packaging”, which confirms once again their self-focus. Below, the word frequency is presented visually.

**Figure 25 Word Cloud of most frequently used words in Company D’s social media posts**
8.1.3.1 Market Research on a Daily Basis

In house, Company D uses LinkedIn only and mainly for the purposes of prospects research and sales leads generation.

HRMM explains:

“No, we use LinkedIn a lot to research other companies and other, you know their employees, sales use it a lot as well cos it’s a lot quicker, you can set up a meeting with somebody online, it’s a lot quicker to get through back doors so we do use LinkedIn for that and we’ve got the upgraded version of that, and we do, I have used it to have conversations with customers that sort of thing, but it’s an ad hoc thing”

Interview participants are perceiving social media as a sales tool, and attempt to use it as a traditional push communication channel, and sales lead generation. They do not realise the potential of the market intelligence, accumulated through social media.

“…initially we would have the conversation, if it was clearly obvious it required a salesman and it was something that a salesman could jump on, an opportunity, then that would be passed straight to the salesman, otherwise we would discuss it if there was an opportunity for a campaign that sort of thing, but if it was something that a salesman could act on it would be passed straight to him or her.”

8.2 Sources of Market Intelligence

In line with their traditional marketing approach they also use traditional knowledge and market intelligence sources to inform themselves, and as already acknowledged social media is not recognized/perceived as important in this respect.

“Well, obviously, we get all of the trade press, we get an awful lot because of all of the sectors we’re in, so we’re constantly reviewing those, looking at news articles and passing them on to the sales people, all of the trade mags come in online as well... PrintWeek, PrintMonthly.”

“[Name of SMA] uses a lot of tender searches and that sort of thing online where you can see what tenders are going on out there, so really we’re gathering intelligence from all... all angles. All angles as much as we can to convert it into
something we might be able to offer, or a campaign, we might see an opportunity for us to hit them with a campaign for one of our products or services.”

They use offline networking extensively and their already established connections to move their business forward.

“Yeah, we attend networking events and that sort of thing that are relevant to industry, we have events ourselves…we go to seminars, networking events…”

In accordance with their traditional marketing approach they use a ready developed software package to collect information about their online prospects and customers and follow up with telemarketing to achieve lead generation.

“and [name of SMA] uses that to then go back and research the company online to find out a little bit about them, and then gives them a call, so we then convert that into a sort of telemarketing... Get contact names, key contacts, people really high up, directors, office directors that kind of things. Yeah and then you pass that to the sales people.”

The absorptive capacity development processes at both operating and dynamic capability level are discussed below and synthesized in Table 15. Discussion of the main findings at each learning process level and affecting conditions follows.
Table 15 Absorptive capacity processes and impacting conditions taking place at operating and dynamic capabilities level at Company D

<table>
<thead>
<tr>
<th>Absorptive Capacity Processes</th>
<th>Operating Capability</th>
<th>Conditions impacting</th>
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<tbody>
<tr>
<td></td>
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<td>Internal Culture</td>
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<td>Structure and Systems</td>
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<td>Actors</td>
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<td>Recognition &amp; Absorption</td>
<td>Daily Use of Social</td>
<td>Rigid routines, hierarchy the parent company dictate marketing priorities; fear of risk; feeling guilty that are not using social media; no sense of purpose, mission / exogenous triggers of social media adoption and use; behind in skills and training; bad timing, slow to adapt; severe time constraints;</td>
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<td></td>
<td>Media (Recognition,</td>
<td>Agency send reports to company on a monthly basis, and access given to a software tracking performance; can't recall the mission; traditional marketing approach of pitching their products; dictated by the parent company; sales objectives;</td>
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<td></td>
<td>Creation &amp; Acquiring</td>
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<td></td>
<td>of Relevant Information) is outsourced; Sources of Information used: Traditional press, phisical WOM, established relationships</td>
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<tr>
<td>Assimilation &amp; Sense-Making</td>
<td>Sense-Making of incoming information in the context of marketing; Transfer to Relevant Actors, Departments &amp; Storage &amp; Using the Market Intelligence Acquired to refine Marketing Branding; to inform strategic decisions on the base of the understanding developed;</td>
<td>Bounded in planned traditional strategic marketing and routines based around promoting products;</td>
</tr>
<tr>
<td>Exploitation</td>
<td>Exploitation of established routines only; Traditional sales oriented planned marketing; No refinement iterations left to agency side; however no reported cases of transformed marketing activities on a base of acquired and applied social media market intelligence;</td>
<td>Mediate complex communication flow via multiple channels (in between parent company and agency); Aim not to make ad hoc changes, revisions; CRM database for knowledge storage - again limited storage of social media intelligence. Traditional internal communication: e-mails, newsletter; Performance Measurement / Technical Fitness: Don't understand statistical reports sent by the agency;</td>
</tr>
</tbody>
</table>

Dedicated agency tea

Very limited use of Social intelligence has been evident. LinkedIn: Agency is running social media channels but industry expertise to evaluate sense;
8.3 Absorptive capacity as an operating capability – Recognition and Absorption (Explorative)

In accordance with the MIATSM model, the aim at this second stage of the research is to focus on the daily use of social media and particularly the knowledge recognition and absorption process, and the enabling/hampering conditions.

8.3.1 Internal Culture, Structure and Systems

Company D’s internal communication takes place mainly through the use of e-mail, and the development and distribution of a hard copy newsletter; they also hold regular weekly meetings.

In relation to social media, no incentives to employees to contribute have been introduced; on the contrary, employees’ use of social media has been restricted.

“No, we don’t allow that, no, that would be very tightly controlled, any messaging going out to the companies is controlled by me and my boss ultimately, no we could not allow random people.”

It is surprising that the HHRM considers and calls company employees “random people” and prefers to outsource the ongoing contact with their customers through social media to an agency that has no understanding of their specialist business and industry.

The MIATSM model application showed that, as a consequence, no information gets absorbed or used by employees, who are expected to execute their daily routines, and are not being encouraged to experiment or innovate in their work. There are set routines and strong department boundaries, hierarchy and bureaucracy. The latter has been pointed out in the literature as typical for successful established businesses that get trapped in their daily routines and close themselves to new opportunities (Alvesson and Spicer, 2012a; Argyris, 1996).

The HRMM highlights that they are well aware that they lag behind the competition, in terms of marketing and social media competencies and skills.

“In terms of competencies and skills it’s something that we, you know, we’re very aware that we’re weak in certain areas and it will be through training, or development, but there has to be budget for that, so I’d very much like [SMA’s] been through college and done some marketing training, but we do need to up our
game in terms of competencies and skills because it’s moving all the time and you can tend to fall behind and you end up always paying somebody to do something that actually you could do yourself if you just knew what you were doing.”

The HRMM recognizes their weaknesses and is not satisfied with the fact that they outsourced the social media use to an external supplier but they admit that they lack skills and time to manage social media themselves and in house.

They lag behind in their skills as acknowledged by them, and are struggling to adapt their established business and traditional marketing practices to the new market and technological dynamics, due to their fixed mind set and hierarchical structure. Currently, Company D plays the role of middleman in a complex communication system, transmitting and managing complex information flow between the top/the headquarters, and their agency. As explain by the HRMM they mainly manage and rely on traditional face-to-face WOM and push marketing, and are failing to catch up and integrate social media within their marketing. The MIATSM model clearly highlighted the fact that Company D is bounded in exploitation of their existing routines, and this exploitation takes over the exploration and absorption of market intelligence from social media use (Hitt et al., 2003; Vargo & Lusch, 2004; Borch & Madsen, 2007).

8.3.2 Actors

The HRMM considers the “digital natives” as much better with social media than the older generation. The HRMM points out that they have no fear of making a mistake, as they have grown with digital technologies.

The HRMM:

“but the younger you are the less frightened you are of it, the lady that I had working with us was 21 and she was doing a foundation degree here part-time, but she was intelligent, she had no fear of social media and she would leap on and off it and put things on and post things, and it was the easiest thing in the world, and for me I’m very conscious of if I jump onto Twitter of putting something up that’s meaningful, and I think you do to a certain degree from a company point of view, whereas [name of marketing assistant] had no fear and would just repost, retweet, put pictures in, you know I’d just say to her can you make sure that you read this or there’s an article there can you copy that, and she’d just do it but she was a lot younger and I do think that, they’ve grown up with it.”
The HRMM exhibited a closed mind set and clearly communicated her fear of mistakes and risk aversion. The latter is also in line with existing organisational theory (Alvesson and Spicer, 2012b).

8.3.2.1 Negative Comments and Bad Reviews

Neither participant could recall an example of negative comments on their social media presence, and could not provide an example of how their external supplier/the agency is handling negative comments and reviews.

8.3.3 Resources

Company D has employed an external supplier, a digital agency, to manage their digital presence and has dedicated budgets for that. The digital agency does their social media, content creation, paid advertising and PPC campaigns. They also dedicate budgets to online presence in industry guides, and for using LinkedIn Premium.

8.4 Assimilation and Sense-Making (Transformation)

The second process of the MIATSM model aims to understand the interaction between operating and dynamic capabilities, and how the learning at operating level, developed through the social media practices, affects decisions at higher-order strategic marketing activities planning and decision making level, by discovering and elaborating on enabling/hampering conditions.

8.4.1 Internal Culture, Structure and Systems

The company exhibits very rigid structure and broken communication action. Information is not communicated to other departments or the parent company and is not made use of. The participants collaborate only with the sales department, and in general exhibit a strong focus on performing established routines within their departmental focus.

8.4.2 Actors

The HRMM receives an evaluation report on a monthly basis but she admits not checking it due to lack of time. She also points out that she does not understand the statistics, and has difficulties putting the numbers into her overall marketing strategy evaluation context. It seems that no intelligence has been absorbed and made use of in Company D’s
marketing context. Company D keeps a tight focus on their objectives and priorities, defined by the parent company.

8.4.3 Resources

No particular resources have been dedicated to sense-making and assimilation processes of the MIATSM model, except budgets for agency fees.

8.4.3.1 Knowledge Storage

The company uses a complicated ready off-the-shelf database – Goldmine – for knowledge storage. However, information from social media is not integrated in it, except on very rare occasions when information gathered from LinkedIn is added to the database. However, they were unable to provide a particular example.

8.4.4 Performance Measurement

The performance measurement part is aimed at understanding the performance and evaluation of Company D’s social media, as per the MIATSM model. The participants explained that they get extensive statistical reports from their agency and do not evaluate themselves, nor feed these figures into their overall marketing activities evaluation.

However, they cannot connect these statistics to their sales-oriented traditional metrics. There are no KPIs defined in advance. Therefore, their social media performance measurement is disconnected from the company’s marketing evaluation. Their expectation, however, is to see gradual growth:

“I mean it’s all about, we expect to see growth, continued growth in the website statistics, and in the way the website’s performing and that really is their KPI, I mean if we see that we’ve got a problem, so I’m looking for that all the time, and we’ve achieved it, we are achieving it, and as I said to you before, we measure the leads coming into the business, that’s all logged and kept on a spreadsheet, we know exactly how many leads we’ve got coming in, what quality they are, in other words has the customer got any money, you know this kind of thing, that really is the KPI, it’s whatever activity they’re doing needs to feed back to our sales team, that’s the KPI, generate leads.”
8.5 Exploitation

Lastly, the MIATSM model’s construct exploitation is discussed which focuses on the actual changes triggered in Company D’s marketing operating activities by their social media use. As suggested in literature, the company is bounded into their existing operations and routines, hierarchy and bureaucracy (Alvesson and Spicer, 2012a; Argyris, 1977). Company D has been trapped in their successful established routines, which prevents them from being alert and open to new opportunities. It is clear that Company D’s use of social media is disjointed and fragmented and without a real realisation of the potential impact to the business.

8.5.1 Ambidexterity

The MIATSM model application clearly indicated that Company D focuses on exploitation of already developed knowledge and routines: due to industry, age, industry position. They favour exploitation of existing routines over exploration of new information for potential new marketing actions development. Company D is risk averse and fears risk and change. The latter is preventing them from using the full potential of their organisational social media presence (see Table 16 for details). Company D lacks digital skills, which they explain by the fact that they are not digital natives. Although social media is part of their strategy with dedicated substantial budget, they are unable to identify, absorb and make use of it. They are impeded by time constraints, broken communication flow, large size, bureaucratic structure, and lack of vision, fixed mindset and insufficient digital expertise and traditional marketing approaches.
Table 16 Company D’s Activities Associated with Exploration and Exploitation Ambidexterity

<table>
<thead>
<tr>
<th>Activities Associated with Exploration and Exploitation Ambidexterity in the Context of Company D's Social Media Use and Marketing Development</th>
<th>Exploration</th>
<th>Exploitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating New/Different Experience</td>
<td>Creating Reliability in Experience</td>
<td></td>
</tr>
<tr>
<td>Exploration activities are outsourced to an agency; Agency doesn’t have an industry knowledge and mainly creates and disseminates content about particular products</td>
<td>Focus on leveraging existing knowledge and traditional marketing practice; focus on stabilising existing marketing routines, processes, culture, systems and structure;</td>
<td></td>
</tr>
<tr>
<td>Aim to not change and experiment with the social media use and in their marketing practices in general; Future actions dictated by a parent company; Risk averse</td>
<td>Focus on routinisation of use</td>
<td></td>
</tr>
<tr>
<td>Questioning existing beliefs, decisions, routines</td>
<td>Elaborating on existing beliefs and decisions</td>
<td></td>
</tr>
</tbody>
</table>

8.5.2 VRIN Resources

The interview participants pointed out areas where VRIN resources were positively impacted by their social media practices: brand image, loyalty, trust, engagement, relationships and reputation:

“Certainly, customer retention, certainly it’s improved [name of company] as a brand, it’s established us as the experts if you like, but what it does is it’s helped individuals relate more to us”

“And that dramatically helps with the customer relationship, and ultimately does lead to more business.”

8.5.2.1 Employees’ recruitment and market research

The HRMM points out that they recruited people through LinkedIn.

“We’ve recruited through LinkedIn, not successfully I have to say, but we used it to recruit, and also when I’m recruiting I use LinkedIn to check out the candidates and that kind of thing and their associates, and the same thing with companies that approach us, customers we look them up and have a look at who they’re connected with.”
See Appendix N, Figure 37 for a project map of the data items connected to Company D. See also Appendix Q, Figure 58 for an exploratory diagram of all instances of data coded under Company D, which demonstrates the depth of coding and analysis.

8.5.3 VRIN to Competitive Advantage & Conclusion

The application of the MIATSM model shows that the blocking communicative action and the lack of open mind set prevented Company D from absorptive capacity development. The fact that they outsourced the direct communication with their customers to an external supplier, along with their narrow focus on sales leads generation, combined with the fact that they are bounded to established routines, their fear of risk, and traditional marketing practices were identified as the main limitations of their social media use and marketing evolution realisation. It has been identified that the company is bounded in hierarchy, bureaucracy and complex communication between multiple partners, without clear a direction, no mission and vision. Moreover, the company has bad timing, and is struggling to catch up with the digital technology disruption. Company D proved unable to identify how and where to absorb, assimilate and exploit knowledge within the social media community, as showed by the MIATSM model application, although the traditional market research conducted six years ago pointed out that their customers are on social media. Disappointed and turned off by their initial experience with a “social media guru”, the company could not ingrain social media.

Although they invest heavily, they are not harvesting the potential benefits of their social media use, due to failing to adapt and catch up with technological developments. The fundamental issue is that they lag behind customers’ expectations and requirements.

They identified the personal touch of their family business as a main competitive advantage but they are not using social media to further develop the relationship and engagement with their customers.

Their success and well established competitive market position act as a millstone to their social media use and technology adaptation, and stops their progression. They are not open to change, although they realise they need to develop their skills base, currently they seem unable to catch up. They do not seem to have a clear purpose for their social media use, and work in a culture of blame and fear of mistakes where obviously, there is no room for creativity and experimentation to grow.
Through the conducted thematic analysis of their social media data, it was identified that their content is in line with what they reported during the interview and is product-centered.

Examples from Twitter:

“Pushing the envelope: why well-designed mass mailing has never been easier”

“[name of company] unveils two new products at open house http: [urn link]”

“The countdown begins... 4 weeks till our 1st [name of company] Open House”

Also, multiple blog posts were signed as authored by the HRMM, but during the interview the HRMM explained that their blog content is developed by their agency. No comments or any other interactions are taking place on their blog. Additionally, their blog posts are again self-focused, pushing messages about their sub-brands and products.
9 Case Study 5: Established, Traditional SME

This case explores the social media use of an established traditional SME, situated in the South East of England. Established in 1989, the company is a privately-owned events and magazines publishing business, primarily specialising in the marine sector. The company employs 56 people. The company’s magazines and events are produced by industry leaders and experts. As the company has various sub-brands, and no centralized marketing structure nor strategy, for the purposes of the current research, one of their sub-brands has been chosen. Company E is an international event and conference subsidiary of the parent publishing company. Company E is Europe’s largest commercial maritime exhibition and conference. The conference takes place over three days every year, in one of the largest UK ports. In 2014, they launched a sister conference and exhibition on another continent.

In accordance with the MIATSM model and in order to achieve an in-depth understanding of the development and execution of the knowledge-based processes of absorptive capacity development at operating and dynamic capability level, the external and internal factors affecting the absorptive and adaptive capability development were examined as part of the researched processes.

Data was collected through in-depth interviews with the employees managing and planning Company E’s marketing and social media activities: Head of PR and Communications (HPRC), working at the company for a year; the Marketing Executive (ME), working at the company for four months; the New Media Development Executive (NMDE), who worked at the company for six weeks. Additionally, a meeting discussion with the board of directors had been held to discuss their strategic marketing management and digital marketing priorities, and lastly the data was triangulated with social media data.

9.1 Background/Prior History

Critical at the initial stage of the research was to understand how Company E’s prior history enables individuals with a sense of direction and belonging, what industry dynamics they operate in, and how the social media use was triggered, as per the MIATSM model.
The participants point out that the company’s talented and knowledgeable staff are the main competitive advantage. Another competitive advantage highlighted during the interview was the established long-standing relationships with their B2B clients.

“and then off the back of that you’re cementing a business that’s already got its foundations in that industry, so you’re building on strong building blocks to then move forwards, and that then makes it easier to then enter into new market places”

In order to understand the strategic position and purpose of the organisation, the participants were asked about the company mission and vision. None of the participants were able to articulate the mission, the vision or the higher purpose of the company.

HPRM: “No, we might be able to forward you some if we are able to find them.”
NMDE: “I guess that could be one of our problems, our mission statement.”
ME: “Our mission statement yeah.”
NMDE: “That’s not good.”

It is clear that the marketing team is disconnected from the organisational mission and aim, and do not align their marketing and social media activities with the company objectives.

9.1.1 Marketing Practices/Strategy

When asked about the company’s marketing strategy the participants explained that the company was 26 years old but had only had a marketing department for one year. Therefore, Company E aimed to catch up and adapt to the new environment in terms of developing marketing and the social media department. However, it was uncovered through the application of the MIATSM model lenses that the marketing department currently worked in isolation, not integrated within the entire organisational structure.

HPRM: “… so yeah having a marketing department’s a completely new thing for the company. “

The participants share that they have a social media strategy set up for [Company E] that pretty much is the launch of the strategy for the entire company.

HPRM: “I would say actually there is a strategy there in place for [Company E] yes, and we’re using that as a bedrock to then look at how we can then improve it further to then roll out to other brands, we haven’t got the strategies in place yet for the magazines, or for the general brand itself.”
They currently use social media to engage with the community, however they want to move towards using social media as a sales tool. As a result, they hired the NMDE to develop an umbrella strategy, make sense of their disjointed social media practices as they were at that moment and commercialise and get sales opportunities from the company’s social media use.

“…where we currently are is we’re just using it to engage community where we’re moving forwards we’re using it as a business tool, bang, it’s as simple as that, so we are looking to completely change our business plan to accommodate social media, which is huge, so that’s why we’re doing these baby steps now…so once [name] and her team have really got that strategy in mind then we will say fine ok, we can see that objective, let’s drive all of these streams to follow that initial main objective…”

The participants explain that currently they use social media to create buzz and engagement.

9.1.2 Social Media Adoption Triggers, Market Dynamism

The company has a long history and a leading position, but needs to adapt to the new industry and technology dynamics, and therefore has been chosen as a representative traditional established old SME. The participants also highlight that they fear being superseded by an aggressive digitally-oriented competitor.

NMDE:

“And looking at how as a company we can evolve while people start to consume the media in different ways from the traditional print which has always been, and even again, traditionally websites and with new developments, how we can stay ahead of the curve from these digital only entities that are entering the market and how we can compete with them.”

During the board meeting held, and also during the interview, it was highlighted by the participants that the new generation of managers consumes media in a different way, and uses social media, and thus the company needs to respond and adapt to these changes in the external environment.

HPRM: “…you’ve got the old guard, this is where you were almost saying on the previous question, who are very set in their ways, they’re not interested in social
media and they’re not deskbound they’re certainly you know, I’m a top boat-owner type mentality and I’m not interested in all this fancy online stuff and it’s just detracting from my poor job, however, in recent years the junior management has started to move into the lower director level role, if not owner/director stage, and over the years, literally the last four or five years, they have had so much impact and influence on those older directors that now you’re starting to find a real turn in our industry so from an institute that was very, very staid and very cautious of change, now you’ve got, for example, a crew transfer vessel going out to a wind farm, sometimes they cannot disembark because the weather’s too bad, so these guys spend most of the time on social media just killing time, and likewise if they’re in an office the use of online and devices is so key when you have vessels offshore, or you have solutions and products and different clients and different probably crews again, all over the place, devices are such a quick way of giving response that actually whether it’s on social media or whether it’s about your usual device, people are actually very technology savvy, it’s as simple as that, so the winds of change are there and it’s working in our favour, so as a result we’re not just a stable business sector to be in, it’s actually the start...

In recognition of these changes, and differences in the behaviour of new millennial directors, Company E aims to adapt and produce more online content.

The HPRM: “Yeah and even aspects such as we produce a newsletter and so we have hardcopy newsletters, we have e-newsletters, we have news articles on the website, and all of that has a joined-up vision to then deliver to that audience…”

The HPRC explains that initially they were the ones who convinced the owner to hire them to develop Company E’s social media presence and catch up with the new industry dynamics.

“…I walked up to [name of owner] at another event and said, don’t you think it’s about time you did something about your social media, it was as simple as that so that’s how it all started, so that was November the previous year, and then by the time we met it was February, so I walked through the door with a strategy as to how I thought the teamwork could be panned out, and he just said yeah ok, off you go.”
The application of the “triggers” construct of the MIATSM model showed that the OM introduced social media through the influence of exogenous triggers and fear of falling behind the competition, but currently they do not know how to integrate it within their business operations, and how to measure its performance. As a consequence, six weeks prior to the interview, they hired a new person who needs to make sense of their social media use, measure the benefits of their social media investment, and produce an overarching strategy.

9.1.3 Social Media Use on a Daily Basis

The HPRM explains that the organisational social media objectives have been set up around building up engagement and developing their social media use as a sales tool. The HPRM articulates their main social media objectives as social media following building and likes gathering.

…it was February starting to work on this, by the time [Company E] exhibition itself started in June we possibly had maybe seven followers on LinkedIn, it was all very, very light, so this year on we’re now seeing rewards of what was started the last year, so now we’re over a hundred likes on Facebook, or is it more than that, no Facebook’s over a thousand.”

They explained that at the conference itself they had a stand, “a social media press hub” where the ME was positioned, and looked after the social media accounts all the time. They had also a full wall monitor, where the conference Twitter feeds were running and the event hashtag was promoted. The focus, as identified by them and confirmed by the thematic analysis of their social media data is on promoting their exhibitors, various products and vessels, talks, lectures and events. The social media thematic analysis highlighted that the use of social media was as an outbound communication channel.
Various tweets and Facebook posts of products and clients’ promotions, as well as promotion of the hashtag # [name of conference]2015 were downloaded and analysed.

“@[name]_UK annual cocktail networking drinks reception is in full flow – stop by and say hi #[name of conference]event [url link]”

“#[name of conference]Snap cake break in the press hub! [url link]”

The interview participants discuss and mention a few times social media strategy during the interview but actually they elaborated on technical and tactical aspects of their social media use, and were not able to provide a link between it and the organisational marketing strategy or higher-organisational purpose or goal and justification. They see social media as a “free” channel to promote their exhibitors at no cost, and thus adding value.

The HMPR explained that they use blogs to publish content and drive people to their website, but it looks like that is where their use of social media stops as they do not research, listen and learn from the interaction with their online community. Moreover, no calls to action and very limited interactive functionality were implemented on their various sub-brands’ web sites. The web sites also look disjointed and fragmented, without any clear master brand strategy and overall integration.

Company E’s daily social media activities consist of content development, press releases, clients’ promotions. They aim to produce and share at least one article a day on social media. Social media is used mainly as an outbound marketing communication channel to push their content and promote their products:

“@[name of journal] is #seaworkevent’s official publication - subscribe today: http://www.[name of magazine]/subscribe … #FreeTrial for new readers!”

The HPRM claims that their current aim is to build their following and gather people’s details, by running competitions.

“we’ve run a competition where you get people to like on Facebook and we’re adding images and this year we’ve had, well on Twitter, I’ll get [name] to explain further, and on the back of that one you’re getting people to actually suddenly follow you, and but secondly we do try and trawl through and extract the Twitter addresses where we can to then potentially reach out to them, which is a little bit laborious but still it’s still data mining…”
Company E runs competitions to engage with clients and collects customers’ details. However, there is no reported overarching aim, objective nor a connection between different social media initiatives. They experiment and heavily invest in their social media activities but cannot evidence any other benefits beyond buzz, engagement, likes and shares. The HPRM is not perceiving social media as a source of industry knowledge but only as an outbound marketing promotional channel. The HPRM introduces various social media and marketing initiatives which are very resource consuming but they struggle to quantify the results and link them back to corporate marketing objectives and company performance.

“One also said there’s nothing to stop a business creating thirty blogs, we could have thirty blog sites out there, so long as you’ve got a means of populating them, in essence you could have all these different thirty blogs all cross-selling to your one end product, and that would just be such a simple win…”
The HPRM is not realizing the amount of time and the huge resource investment that underpin the maintenance of so many blogs, and the various social media initiatives. Moreover, the HPRM is not able to justify these currently with other metrics and/or KPIs than engagement, followers, shares, likes.

The NVivo word frequency query of Company E is presented below (Figure 27), which contains a list of the most frequently occurring words, themes and concepts in their social media posts. The latter is in line with their outbound promotional push use of social media: “[event hashtag]”; “new”, “today”, “visiting”, “commercially”, “exhibitor”, “conference”, “marine”, “announce”.

**Figure 27 Word Cloud of most frequently used words in Company E’s social media posts**

![Word Cloud Image]

### 9.1.4 Sources of Market Intelligence

The participants pointed to their own publications as a main source of industry knowledge and to their social media presence but were unable to connect it to any broader business objectives, nor provide an example of marketing application of intelligence developed through their social media use.

The MIATSM model’s three learning processes and impacting conditions have been synthesized in Table 17, which shows the interlinking role of the market intelligence supplied by social media at the operating and dynamic capability level at Company E and the hampering/impacting conditions identified. Discussion of the main findings at each learning process level and affecting conditions follows.
Table 17 Absorptive capacity processes and impacting conditions taking place at operating and dynamic capabilities level at Company E

<table>
<thead>
<tr>
<th>Absorptive Capacity Processes</th>
<th>Operating Capability</th>
<th>Conditions impacting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Internal Culture</td>
</tr>
<tr>
<td>Recognition &amp; Absorption</td>
<td>Daily Use of Social Media; Outside-in activity of Creation of Relevant Information; Sources of Information; Their own publications, industry experts magazines; traditional W O M</td>
<td>No incentive to contribute to social media, no sense of purpose, mission or vision; Unknown strategic goal, objectives; short term social media engagement objectives; fear of making mistake, no involvement of the owner in facilitating the integration of the marketing and social media team or in disseminating information; fixed mind set: focus on established routines; social media is not integrated into the entire business;</td>
</tr>
<tr>
<td>Assimilation &amp; Sense-Making</td>
<td>Sense-Making of incoming information in the context of marketing value creation; No Transfer to Relevant Organisational Actors; No particular storage; no marketing understanding developed;</td>
<td>Unknown mission, vision, objectives, focus is on traditional pushing of content; sale through social media; unclear purpose, objectives;</td>
</tr>
<tr>
<td>Exploitation</td>
<td>Delivery of the refined marketing activity to the audience; Developed once an unrealised capability: sourced timely industry news through Twitter, which was used after that both on their online social media profiles but also in their offline publications;</td>
<td>Inside out activity: Change implemented by Sales person and the</td>
</tr>
</tbody>
</table>
9.2 Absorptive capacity as an operating capability – Recognition and Absorption (Exploration)

The aim of the second process of the MIATSM model is to explore the process of absorptive capacity development at operating level through the organisational social media use.

Although various social media initiatives have been undertaken, planned and executed it seems that there is not a recognition and absorption of information from social media at organisational level or at least not beyond the boundaries of the marketing and social media department. The MIATSM model illustrated Company E’s social media use as an outbound channel.

The participants claimed that they use social media for intelligence gathering but they were unable to provide examples of intelligence identification through social media use. The MIATSM model’s recognition and absorption process clearly indicated that the information created is not crossing the boundary of their own department, and is not applied to develop better understanding of their customers or marketing practices development. Social media is currently used only as a push communication channel. The focus is not on the interaction itself as a way of better market understanding development but on pushing content and developing awareness.

The developed market intelligence is not analysed and transformed into insight that potentially could underpin sounder marketing decisions, nor used to develop following into brand advocates.

9.2.1 Internal Culture & Structure and Systems

Through the researched internal culture and structure and systems constructs, it emerged that the social media team works in isolation. The HPRM highlights that they are trying to share with other departments, to educate the company’s employees but the others seem busy and focused only on their daily routines. The latter is well documented as one of the main drawbacks of established successful companies (Argyris, 1996; Helfat et al., 2007).

The marketing team tries to ingrain, educate and communicate their social media aim and use in other company departments but imposes a lot of restrictions on its use.
The HPRM says that: “We’ve very recently, literally in the last five months, have gone through every member of the team and given them an awareness workshop, and so whether they’re actively involved, or whether they’re just being aware of what we’re doing internally and how we engage, they now understand at face value, some of them did not even know how to work Twitter, they did not even know that Pinterest was out there, and then others are very, very social media savvy…”

9.2.2 Actors - Facilitative Leadership

The MIATSM model indicated through the actors construct that there is a very limited degree of support from the OM. The OM made an effort to respond to the environmental dynamics and hired a social media team but is not providing enough support to embed the team within the wider organisational structure. The OM is not involved in the social media planning and use, and is not supporting the marketing team in their effort to support other employees in using social media. There is no preparedness demonstrated from the management team to change, experiment or challenge their established practices. Company E is focused on exploitation of their successful and established daily routines and in keeping their leading position. The company management is not involved in the marketing or social media activities, and lacks social media skills.

After the board of directors meeting attended by the researcher, it was clear for the researcher that the OM does not have an open mind set, and underestimates the potential impact of social media on their business. There was a lack of flexibility and open-minded enquiry, demonstrated during the meeting. The owner demonstrated lack of trust in social media potential for the business and resistance to change, which is described as impeding organisational learning and development both in organisational and in SME literature (Alvesson & Sköldberg, 2009; Carson & Gilmore, 2000a; Carson, Gilmore, & Rocks, 2004). The OM fits under the description of the HPRM “… a top boat-owner type mentality and I’m not interested in all this fancy online stuff”. The identified difficulties of bringing new ideas to life due to the fixed mind set of the owner was also confirmed by the participants during the interview, who shared that usually the OM is strictly controlling and not willing to experiment. The OM has been described as promoting the status quo and resistant to change. There is lack of willingness to question norms and change established operations to accommodate the social media team, demonstrated by the OM also during the interview. The company manifested itself as many layers, hierarchical, not transparent.
Additionally, no incentives have been introduced for employees to use social media, moreover, employees’ involvement in social media use has been restricted, except for use of Linkedin. The marketing team also developed a social media policy.

HPRM: “at this moment it’s a little bit belt and braces and just trying to really tighten it up”

However, the HPRM points out that “we all are trying to ingrain in everybody here that if you spot it let us know”.

9.2.3 Resources

In terms of specific organisational resources, involved at that initial stage of the absorptive capacity development process, Company E uses external suppliers, such as WordPress blog, paid advertising, and Hootsuit to manage their multiple accounts. In addition, the company recently invested in marketing and social media team development and hired a new media development executive. They invested resources in various social media practices but without a clear direction and focus.

9.3 Assimilation, Sense-Making (Transformation)

The second process in the MIATSM model is aimed at understanding the process of interaction between operating and dynamic capabilities, and how the learning at operating level, developed through the social media use, affects decisions at a higher-order strategic marketing activities planning and decision making level.

The HPRM describes that:

“Again, it tends to be quite fluid so if I spot something I’ll literally pick up the phone, or probably send an email to one of the sales team to say I’ve just spotted an opportunity for you here…”

However, again they are viewing social media very narrowly. The participants discussed that they need data skills to connect social media data to the sales database. They seem to believe that this will be achieved by bringing in external expertise, and developing a separate job function, rather than seeing it as an organisation-wide activity. They do not realize that there is a need for a change on a collective level starting from the top of the company by establishing a clear strategic direction and willingness to experiment and ingrain the intelligence gathered within their operations. There is a need for a shift in their mind set toward being more open, receptive to signals from social media and readiness for
quick response and reconfiguration of marketing practices. Currently, they rely on their established routines and favour exploitation of existing practices and narrow sales focus over experimentation with new approaches and practices. They do not realize the potential of social media to supply valuable understanding.

9.3.1 Internal Culture, Structure and Systems

The participants share that they mainly use e-mails to communicate internally between departments. They are not using social media for internal sharing and communication. In general, the communication and collaboration between departments is very limited. The leadership does not seem to understand that social media can help flatten the organisation and drive transparent dialogue across levels and functions. Their marketing team is traditionally set up with no involvement from other employees, and works in isolation.

“In terms of developing our maybe internal blogs and newsletters, at the moment that’s still under our HR department who are a little bit thin on the ground at the moment…”

The information does not flow internally within the company, and there is no reported connection between their mission, vision, organisational purpose and the process of sense-making. No evidence of the MIATSM model’s sense-making process has been identified. The company currently does not have the necessary structure to facilitate the internal communication flow and sharing between employees. The participants explained that new person has been hired – the NMDE – to make sense, and monetise their social media initiatives.

9.3.2 Actors

Organisational social media accounts are only managed by the social media team and any information of interest is being evaluated only by the social media team and does not cross the departmental boundary.

9.3.3 Resources and Knowledge Storage

No particular resources, different from those indicated as dedicated to the first process, have been dedicated to the process of assimilation and sense making. No particular knowledge storage procedure has been reported. Company E does not run a CRM or marketing database and the social media team has no access to the company’s subscription database, which the sales department maintain.
HMPR:

“It’s not joined-up.”

9.3.4 Performance Measurement

The metrics and KPIs currently set up and evaluated by the HPRM are followers, impressions, shares, likes, which obviously do not link to company objectives. The HPRM was not able to determine social media’s contribution to those key metrics. However, the OM invests heavily in development of a social media team, and not surprisingly wants to see a return on this investment. Therefore, in an effort to justify the investment, external expertise has been brought to the company, the NMDE. Strangely, Company E expects that by recruiting one new person they will fulfil this demanding role and make sense of their existing activities and lead the change of the entire organisation, something that should be led by the top management, and well communicated and embedded at all organisational levels.

The HMPR shares that they still have not evaluated the success of their social media use. When asked about the key performance indicators and performance measurement, the HMPR discusses numbers of fans, followers and shares. The latter, however, are disconnected from traditional business performance metrics and, as a result, do not provide understanding about the return on their heavy social media investment.

“No, so off the top of my head we were looking to achieve three and a half thousand Twitter followers and we’ve hit three seven, we were looking to hit over a thousand Facebook and we did, we were looking to achieve, literally I thought it was over a hundred LinkedIn.”

“So, we’re on two two four, so that really went well, I thought it was about a hundred but anyway we smashed that, if it was two hundred we’ve smashed that one.”

The HPRM is unable to translate the latter numbers to business metrics or to connect to marketing objectives and goals, and therefore an external person has been hired to do so.

The HPRM explains:

“Yeah well, I think this is us literally in practice now and sharing how this has evolved because [name] was never here, her role has come out of the initial demand
and then the fulfilment internally of social media, and then the need off the back of it to actually appreciate how social media and the digital marketplace impacts the business and how it can move it forward, so she is a precise example of exactly how we have learnt and evolved.”

The NMDE points out the need to understand their customers and build the persona of the actual user in order to develop better targeting. The NMDE, however, shares concerns that currently the organisational social media use is disjointed and chaotic. The NMDE adds also that the company does not even have a marketing database and explains that she feels confused and does not know where to start. The NMDE does not know what they need to do, when they need to do it, or what resources will be required to deliver the performance senior management expects. Consequently, the expected results never materialize, and she left the company three months after the interview.

9.4 Exploitation

The MIATSM model application illustrated Company E as struggling to catch up with the new industry dynamics. The main impeding factors, identified through the multiple sources of data analysis, are the lack of leadership support and communication, rigid organisational structures, and troubles finding (and retaining) people due to unrealistic expectations. The company proved as bounded to existing operations, and the leadership unwilling to question existing structures, experiment and change established routines, and disconnected from organisational social media use.

As acknowledged in the literature, established firms fail to execute and leverage their dynamic capabilities because of being embedded in current routines and fixed mindset (Christensen, 1997) (see Table 18).
Table 18 Company E’s Activities Associated with Exploration and Exploitation of Ambidexterity

| Activities Associated with Exploration and Exploitation Ambidexterity in the Context of Company E’s Social Media Use and Marketing Development |
|-------------------------------------------------|-------------------------------------------------|
| Exploration | Exploitation |
| Creating New/Different Experience | Creating Reliability in Experience |
| Social Media is not seen as a knowledge source; No search for new opportunities except in finding ways to sell; the exploration activities don't cross the boundaries of the marketing/social media department/team. Not aware of purpose or organisational direction. | No connection to marketing strategy, strategic goal or other departments operations; Management is focused on leveraging existing knowledge and applying traditional sales approaches and metrics to the social media use and the marketing practice in general; optimising and stabilising existing marketing routines, processes, culture, systems and structure. |
| Various social media tactics however no real connection between the use of Social and the information acquisition, sense making and transfer processes; no monetisation or business goals connection. | Applying and improving existing marketing and social media activities; Hesitant not sure how to improve; Focus on routinisation of use of social media as a source of WOM. |
| Focus on figuring out how to sale through social media. | Bounded in existing beliefs and decisions, disconnected from the other business functions. |

The company was not able to embrace social media as a source of knowledge and to develop absorptive capacity and therefore dynamic capabilities. During the interview however, they realised this opportunity:

HRMM: “Yeah you’re right, so for example we might have spotted something on a topic that’s really, really specific to us…”

“… but you then think that would be a really good seminar piece at a conference so then you’d draw that out and effectively note to self, grab it, speak to somebody about it and then use it as a driver, so yes you can pick up a topical conversation and then use that to then use in whatever way you want to, maybe include in your conference or something, say there’s a lot of buzz in this particular avenue at the moment, let’s look further and then you start delving online further into discussion groups and offline to see what can you do in talking to likeminded people.

I haven’t got a case study for that one no.”

They realised during and as a result of the interview that social media could supply valuable insight.
The ME adds that the only benefit that she could think of is directing one of the conference speakers who was late to the conference room.

“The only one I can think of, we had actually a marketing person coming to give, on the last day we had a conference that ran alongside the exhibition, and we had more visitors than we expected, yes parked offside and then bussed in, and because of that he was running late so he tweeted to say he might be late to give this conference, and then he had issues with the buses and afterwards... 1: It was a bit of a negative time. 2: It was yes, so I ignored the buses thing and instead I tried to help him in terms of giving him directions and he found where he needed to go…”

However, the above example shows a very basic advantage, insufficient to justify their social media investment.

9.4.1.1 Selling through Social Media

The HPRM recalled an example of one of the sales people selling their white papers through LinkedIn discussion group:

“…she was specifically looking for a discussion on a specific subject and as a result because it was so specific, she then got out of that door financial gain.”

However, the latter don’t collaborate with the sale team, and don’t align their content creation for social media with their offline publications.

9.4.2 VRIN

The interview participants agreed that multiple VRIN resources have been developed, such as brand awareness, reputation and brand loyalty.

9.4.2.1 VRIN to Competitive Advantage

9.4.2.2 Content Development and Storytelling

In the course of the interview, the HMPR shared an interesting example of content sourcing and storytelling capability development through social media use. She recalled an example of when they sourced expertise that helped them develop content for their online and physical magazines.
HPRM:

“…there was a vessel that was stricken in the [name of port], called [name of vessel], can you remember great big container ship fell over, so when that happened that was a nice one for us cos we could spin it, even if it was a bit random, but we could spin it as [name of company] home port that happened to have this disaster and therefore, [name of company] exhibitors could come and help, it was that type of spin we put on the blog site but then on the back drove other things, and we did use YouTube so I got permission, I think somebody told us about [name of vessel], I then came across a video on Twitter, I could not get hold of the person who took the video in any other way apart from private messaging him, then I got permission through Twitter to use that YouTube video, which was priceless cos it was a drone footage, and then we used that both on [name of company] social, on [name of company blog], our main site, and on our system publication [name of magazine], possibly it went further, and the journal is a paid for publication so obviously the online, the website itself is obviously quite important.”

9.4.2.3 Avoiding Mistakes, Unlearning

Through the use of social media, the social media team also identified that their online content has been plagiarized. As a result, they developed a better ability to balance better paid vs free content for their journals, as others may plagiarise their specialist content:

“…we’ve had an experience where a company was actually literally plagiarising a lot of what we were producing to such an extent that we were going to run an
online media diary with a portal and we just literally scrapped it because they would have literally made a commercial benefit from us running that…”

9.4.2.4 Need to Open the Lines of Communication

During the interview the participants, prompted by the interviewer’s questions, exchanged many ideas, views and raised many internal issues. They realized that some of the positive comments and posts on their social media accounts could be used on the website as testimonials, and not long after the interview they started sharing these on their Facebook page.

Example of client testimonial tweeted after the interview:

“Every year the [name of conference] exhibition provides us with an excellent opportunity to meet with many of our existing customers as well as introduce ourselves and the company to potential customers…”

The Project Map of Company E, generated by NVivo, can be seen in Appendix N, Figure 38. See also Appendix Q, Table 59 for an exploratory diagram of all instances of data coded under Company E, which demonstrates the depth of coding and analysis.

9.5 Conclusion of Case Study Narrative Five

The application of the MIATSM model demonstrated that although Company E is using social media extensively as part of their annual exhibition and conference, the company is struggling to make sense of their social media investment. The MIATSM model uncovered that the social media team has been engaged in extensive social media use but very limited use of the market intelligence has been realised. The participants shared three examples of developing dynamic capability on the basis of their social media use but these were accidentally developed, and unrealised benefits stemming from their social media activities. No evidence of intentional use of market intelligence has been discovered. Company E is unable to identify or apply early intelligence on competitors’ developments and on customer problems, needs, and beliefs.

The MIATSM model application revealed the organisational leading position as one of the impeding factors. Company E is well established and fully dedicated to its established routines and does not put strategic priority to their social media use, and the social media team exists and works in isolation. Moreover, the established hierarchy and routines in the
company prevent the flow of the information internally. Moreover, there is no evidence of learning culture and the leadership is not exhibiting any desire to change and adapt the organisational mental model to the new industry dynamics. Additionally, the social media intelligence is not perceived as a potential source of knowledge and is not assimilated and used/transformed into marketing actions nor decisions. Company E is lagging behind due to lack of leadership support, lack of a clear organisational vision, lack of effective internal communication, and disjointed organisational structure that is preventing sharing and collaboration.

The MIATSM model illustrated that Company E is looking externally to find what is missing and sort out and justify their social media investment but actually the problem is internal. The newly established social media team finds itself without the support of the top management, and the newly appointed NMDE struggles to lead the change and justify the return of their social media practices, and not surprisingly left the company only four months after being hired.
10 Cross-Case Analysis

This chapter brings together the findings from the five case studies, presented in the previous five chapters in order to address the aim and objectives of the present research, which are:

1. To develop a theoretical model to guide exploration of SME social media practices as a source of market intelligence for marketing development and evolution.

2. To apply the model to a diverse selection (comparative sample) of SMEs to produce an in-depth understanding of the following learning processes, the context in which they are taking place, and their different effects on marketing capability development:
   - the process of exploration and capturing of market intelligence through social media practices (exploratory learning or potential absorptive capacity)
   - the process of internal sense-making of the acquired information (learning) in the SME marketing context (transformative learning or realized absorptive capacity that also relates to knowledge storage over time)
   - the process of exploitation of that learning by studying how the marketing operational capabilities are altered as a result (exploitative learning)

In answering the research aim and questions, this section refers back to the MIATSM model, in discussing the processes and factors, affecting the case companies’ ability to transfer information gained from social media into internal, organisational-level learning and marketing capabilities development. Through the use of the MIATSM model, the findings have been positioned in the context of the existing literature, and links have been established between SME diverse social media practices, and the dynamic capabilities, social media and SME marketing literature.

The MIATSM model enabled an in-depth understanding development of the learning and marketing transformation processes taking place in various SMEs as a result of their use of social media. The findings are synthesized below, and structured under key impeding and/or facilitating factors, as per the MIATSM model. Overall, the study’s findings support the MIATSM model developed from the DCs literature, and presented in Figure 6, section 3.10, by illustrating how social media supplies valuable market intelligence to fill the
SMEs’ resource gap, and reduce uncertainty by leveraging their real-time market knowledge, resource-matching abilities, learning and marketing capabilities. The MIATSM model and the adopted DCs theoretical perspective proved as very suitable in enlightening and explaining the ad hoc strategies/practices that various small firms use and the underlying processes of market intelligence acquisition, transformation and exploitation. Recently, a few other studies have also highlighted the suitability of the knowledge-based and resource-based view in studying SMEs in areas such as: social media use for CRM (Harrigan et al., 2015), big data for marketing development (Erevelles et al., 2016), resources and process management for big data initiatives (Braganza et al., 2016), social media use for inbound innovation (Ooms et al., 2015) and social media for organisational learning (Bosua et al., 2013; Razmerita and Kirchner, 2011; Razmerita et al., 2014; Sawyer et al., 2014).

The present cross-case analysis section starts with a discussion of case companies’ practices by initially grouping them into two groups, depending on their social media use, and the level of marketing evolution/benefits achieved: digital forerunners and digital laggards. The high performing ones’ (digital forerunners) and the low performing ones’ (digital laggards) practices and contributing/impeding factors are presented and discussed, and then cross-case conclusions are drawn, linked and positioned within the existing literature through the MIATSM model. The cross-case analysis discussion also includes matrices developed through the help of Nvivo software, which facilitate comparative analysis of data, and pulls the MIATSM model and findings together to illustrate, enable and reinforce the research conclusions.

10.1 Digital Forerunners

1 x small Established Knowledge-Intensive SME (Company A) & 1 x micro Established Combined (Knowledge-Intensive and Traditional) SME (Company B)

10.1.1 Background/Prior Knowledge

The MIATSM model application enlightened that both companies that intentionally achieved marketing evolution on the basis of their use and recognition of social media as a source of market intelligence operate in highly dynamic markets. The digital disruption has been pointed out as a main driver of change for the business of both companies A & B, in line with literature on knowledge-intensive companies (Alvesson, 2000; Kim et al., 2013). The latter align with what has already been highlighted by Nonaka (1994, p.437): “any
organisation that dynamically deals with a changing environment ought not only to process information efficiently but also create information and knowledge”. Both companies use social media as part of their aim to increase their scanning and market knowledge capabilities, and internal skills by consciously positioning social media as a crucial knowledge source.

Since the beginning of their interviews, Company A and Company B’s participants demonstrated a strong commitment and dedication to their organisational missions. Their companies’ entire business models exist to serve their strong belief in their mission, vision, higher purpose, and absolutely align and underpin their marketing and social media practices. Both Company A and Company B clearly articulated their organisational purpose around educating, learning and providing value to their customers, which was also confirmed by the word frequency queries developed through NVivo. Their leadership inspired a clear and confidence-inspiring vision of the future that in both cases could be described as a vision of changing, educating, providing value to their customers. The OMs created a shared vision that enabled the company to develop and hold an understood organisational focus (Day, 1994) and gave organisational members a sense of purpose and direction (Baker and Sinkula, 1999). The latter is illustrated in Table 28, Appendix R generated by NVivo which presents the instances of data coded in NVivo which evidence awareness of organisational mission, vision and values.

Being aware of the organisational mission, vision and/or higher purpose proved to be a crucial prerequisite for recognition and acquisition of information of interest from social media. Within the strategic decision-making process, the vision of the future is defined as crucial to give a picture of what the firm will look like in the years to come (Helfat and Peteraf, 2003). As such, this guiding picture sets the direction for all marketing activity within the firm (Borch and Madsen, 2007). The interview participants from both companies demonstrated a strong and genuine belief in their company’s mission and vision, and a belief that their core business activity is the future of their industries. The importance of a clear and well communicated organisational purpose, mission and vision has been highlighted from an MO, LO, EO and DCs perspective (Slater & Narver, 1995; Argyris, 1977; Hart, 1992; Cohen and Levinthal, 1990, Cepeda & Vera, 2007; Snyman & Kruger, 2004) as well as from SME literature (Sadler-Smith et al., 2003). The latter aligns with the findings of recent social media research by Harlow (2015) and Baer (2014), who highlight that a collaborative knowledge-sharing initiative such as social media requires
firm-level strategies that closely match with the company’s strategic vision, mission and goals.

The digital forerunners aligned and organised well their entire business to serve their higher purpose. They demonstrated a strong sense of purpose that does not change but persists over time, and practices and organisational structures that do change constantly to align between strategy, purpose, marketing operations processes and market conditions as a way to best support the fulfilment of their long-term purpose.

10.1.1.1 Marketing Practices/Strategy

Both Company A and Company B exhibit a strong aim to continuously align between overall corporate mission and purpose and marketing strategy/practices, and the digital initiatives that they are pursuing in order to transform their business and marketing activities and achieve growth. Although very different types of business, both Company A and Company B constantly adjust their marketing practices but at the same time keep a clear organisational focus and direction driven by their mission, and clear focus on where they want to go, and what they want to achieve.

Company A: “Yeah I mean we always translate offline stuff into online in a way that’s adapted to what’s current and that sort of thing, to markets, we’re used to be primarily pictures not we’re pictures and video, and the future will be pictures, video and three sixty holographic whatevers, so we’re always adapting, always translating to what’s new yeah.

“We never like reconfigure the brand; we keep the brand the same.”

They employ experimental marketing practices, based on a process of constant search and discovery of opportunities through a combination of offline and online information channels and without being afraid to experiment (Hulbert, Gilmore, & Carson, 2013). Both companies demonstrated an understanding that social media is an ongoing activity, and not a campaign based one, and therefore should be constantly adjusted to serve developing objectives.

10.1.1.2 Social Media Adoption Triggers, Market Dynamism

As already highlighted, the digital disruption has been pointed out as a main driver of change for the business of both Company A and B. Moreover, both companies’
management consider social media as a crucial knowledge source. Due to their early realization, social media has been adopted early on, and mainly because of endogenous triggers, i.e. visionary leadership and open mindedness.

10.1.1.3 Social Media Use on a Daily Basis

The digital forerunners employ social media to build awareness, educate their audience, develop relationships, and to uncover early intelligence on technology development, competitors’ developments, and on customer problems, needs, beliefs and brand image development. Both digital forerunners companies demonstrated preparedness to constantly monitor for brand, product, and service optimization, and openness to the information and reviews that their customers provide. They engage in interaction with their core audiences and aim to provide valuable information, which was also confirmed by the social media data, and the word frequency clouds developed through NVivo.

Everyone in the company is ingrained in the organisational social media use, and social media is seen as an important part of their marketing, and not only as a communication tool. The participants highlighted that having the right voice is crucial. Knowing the industry, listening through social media and being able to communicate with the right tone, understanding your customers.

To ensure success, they explained that they start with social listening and optimizing monitoring capabilities. They find out where current and potential customers are talking and what subjects they are discussing before creating strategies to influence brand perceptions and identify sales leads, targeting, positioning and content creation. Previous research also highlighted the latter benefits of social media use (Harrigan, 2012; Nakara et al., 2012; Panahi et al., 2012).

10.1.1.4 Sources of Market Intelligence

Company A and Company B both exhibit a strong initiative toward constant alertness and opportunities’ identification through a combination of both online and offline information sources. Digital forerunners demonstrated an openness and receptiveness to all kind of information sources. The participants pointed out industry blogs as particularly useful source of knowledge, trends, industry news.
10.1.2 Absorptive Capacity as an Operating Capability – Recognition & Assimilation (Explorative)

10.1.2.1 Internal Culture & Structure and Systems

Company A and Company B demonstrated proactiveness in responding to changes in the external environment by capturing even weak signals from consumers to predict market and consumer trends (adaptive capability), thereby foreseeing the future. The latter fits within the description of the market-driven and continuously learning organisation (Day, 2011, 2014).

The MIATSM model’s constructs internal culture, structure and systems enlightened the proactive behaviour, such as alertness, intuition, creativity, which emerged as crucial for the opportunity recognition process, which is also confirmed in the literature as a key characteristic of entrepreneurial marketing, as also highlighted by another recent study (Miles et al., 2015). Both companies developed and successfully employed an ability and a strong commitment to identify opportunities based on their experiential knowledge and/or because they were alert to opportunities and always analysing the market place. This ability to search for sources of opportunities is recommended as a proactive activity for SMEs (Hulbert et al., 2013). Moreover, the digital forerunners exhibit a clear ability to find opportunities both externally in the market and internally within the company through endogenous entrepreneurship, as it is called in the literature, (Hulbert et al., 2015; Newey and Zahra, 2009). The digital forerunners perceived social media as a knowledge source, and very heavily rely on experiential knowledge, stemming from their constant interactions, and the expertise of their OMs.

Therefore, they were able to recognize market opportunities through the strategic employment of social media market intelligence that penetrate all areas of the business. The latter matches the key findings of research by Hulbert et al. (2013) which argues that a majority of sources of business opportunities for SMEs lie in the market, and although some are derived indirectly from environmental change, most are not derived as a direct consequence of disruptive environmental change. The latter illustrates that it is very useful for SMEs to systematically search the market place for opportunities, looking for either new or modified product ideas, and looking for new or emerging ideas. Company A and Company B’s focus is on uncovering such early intelligence/signals on technology development, competitor development, customer problems, needs and translating it to
brand, product, service, process, marketing message optimization. Moreover, their prior knowledge or “prior history”, as per the MIATSM model, enabled them to continue to be open minded and constantly innovate. The absorptive capacity already developed helped them to remain alert and ahead of the competition, which is also confirmed by previous research (Cohen and Levinthal, 1990; Hulbert et al., 2015; Teece et al., 1997).

Both companies put the focus on a proactive alertness and extensive scanning of the environment through the use of social media. The latter has been documented in the literature as a key ability of the successful small entrepreneurial firm (Miles & Snow, 1978).

10.1.2.2 Actors - Facilitative Leadership

Through researching the “actors” construct of the MIATSM model it was revealed that both companies’ OMs set a clear direction by deciding and communicating company-wide priorities/goals, which helped employees avoid the paralysis that often results from confronting too many alternatives (Hulbert et al., 2013). SME owner-managers’ ability to create a shared vision, mission and to give purpose to the organisation, and to guide the organisational development are confirmed by the present research as crucial for social media and marketing practices success, and in line with existing studies (Mc Cartan-Quinn & Carson, 2003). Both digital forerunners companies’ OMs were able to create a compelling vision of how to lead and the adoption of social media was initiated from the top. The leaders clearly brought their perspective into the entire organisation and focused the organisation behind a common goal. Digital forerunners’ OMs demonstrated a visionary, inspirational and creative managerial style which corresponds to previous research on proactive and successful SMEs (Carson, Cromie, McGowan, & Hill, 1995; Mc Cartan-Quinn & Carson, 2003; Merrilees, Rundle-Thiele, & Lye, 2011). The OM of the SME is highlighted as a driving force for organisational success through creating a flourishing and open internal culture and empowering employees with a strong sense of mission and direction in the SME literature (O’Donnell et al., 2002; Gilmore, Gallagher, & Henry, 2007). Both the OM of Company A and the OM of Company B have been described as highly motivated, with high self-esteem, which is confirmed by the SME literature as one of the main advantages of SMEs over larger companies (Carson & McCartan-Quinn, 1995; Mc Cartan-Quinn & Carson, 2003; Hills, Hultman, & Miles, 2008; Verhees & Meulenberg, 2004). They both also demonstrated an informal, intuitive
approach to doing marketing and business in general (Gilmore, Gallagher, & Henry, 2007a; Hulbert et al., 2013). Company A’s OM managed their company and marketing in a more structured manner than Company B’s manager. Company B’s OM had no understanding of traditional marketing, nor formal marketing education, and only used their intuition to build and move forward their business however, both OMs exhibit a strong ability to use marketing to gain competitive advantage.

The OMs encouraged a fast, trial and error adaptive learning culture, and an ad hoc marketing and social media approach:

Company A: “Yeah we’re constantly evolving, I mean Google has a philosophy that it will create something and it will get it out onto the marketplace and then improve it as the market started to use it, I think our approach is the same thing, just get it going and just constantly tweak it and make it better as you go along…”

Company B: “Just do it”

Company A and Company B’s OMs demonstrated a strong ambition to develop their employees as brand advocates. Both companies’ participants agreed that for this process to work, employees have to actually want to share company news, which means the company has to establish the right organisational culture. They perceive social media as a knowledge source, and develop a dynamic view by constantly encouraging employees at all levels to ask themselves:

- How can we get ahead of the competition?
- How can we use social media to better understand our customers and deliver what they want?

The leadership exhibits an ability to translate business goals into customer and employee-friendly initiatives that are enjoyed by employees, such as: internal competition. For example, Company A organised “Twitter take overs” for employees. Contributing to the organisational social media presence is seen as prestigious by employees and they are continuously developed as brand advocates. Delivering the customer experience is seen as a shared responsibility. Employees are inspired by the mission and immersed in a culture of experimentation that rewards creativity, friendship collaboration and calculated risk-taking, and avoids blame and fear of failure. They are not afraid to face the challenges of new information, which is pointed out in the literature as a crucial starting point of learning.
(Wang, 2008). The latter risk tolerated behaviour, reward new ideas and contribute to business improvement (Miller & Friesen, 1984; Wang, 2008).

Company A: “Everything we do is about improvement…”

As highlighted in existing literature, entrepreneurial firms ingrain flexibility in their structures, and grant individuals and the team the freedom to engage and exhibit their creativity and champion promising ideas (Lumpkin & Dess, 1996; Wang, 2008).

Both Company A and Company B’s OMs developed various incentives to encourage staff to participate and share updates about the brand on their own social media accounts. This firm-centric perspective encouraging employees to actively engage in innovative and customer value creation practices is linked to successful entrepreneurial marketing practices (Miles et al., 2015).

Employees are engaged and enthusiastic, and helping the company to achieve their goals. At the same time, by sharing relevant messages, employees build their own professional social followings, establishing themselves as experts in their professional field, as claimed by the HoM of Company A.

Leaders constantly feed employees with opportunities and incentives to generate, and keep generating new ideas, so that employees question constantly, pass beyond traditional solutions and their job roles description, and avoid blame. Company A has recently been ranked as one of the best places to work in the South East of England.

In a very different way, both companies OMs incentivise creativity through internal competitions, team development, have a games room for entertaining employees and providing them with opportunities to discuss, share and challenge assumptions, team buildings, lunches. They see the delivering of the customer experience as a shared responsibility, and motivation and rewarding employees as a highest priority:

Company B’s OM: “he gets paid more than us”.

As a result, it pays off by employees being best advocates and seeing their contribution to the company mission. The latter links to entrepreneurial literature which claims that not only desire but also activities that lead to the discovery of opportunities should be undertaken (Miles et al., 2015).

Moreover, negative comments on social media are perceived by both companies’ participants as a source of learning, and an opportunity to develop new brand advocates,
and to improve marketing and business practice to provide better customer experience. Both companies invested in capabilities to develop their employees as both experts and brand advocates, and to empower them with a strong sense of purpose and direction. Employees are encouraged to take initiative, and to rapidly respond to customer interactions, and take on board negative reviews as a source of learning. Kadam and Ayarekar’s (2014) research also confirms that entrepreneurial SMEs are using social media to resolve grievances and enhance customer satisfaction.

Although often not consciously planned and realized, both companies seem to discover new ways to reach and retain customers, engage and recruit employees, and evolve in their marketing practices.

10.1.2.3 Resources

The MIATSM model revealed that completely different level of resources that have been dedicated to the first process of absorptive capacity development by Company A and Company B. For Company A, social media is a core business, and they invest and employ sophisticated software to gather and analyse market intelligence, and budgets/invest to constantly develop, motivate and educate staff. On the contrary, Company B commits lower investment in information recognition and absorption in terms of budgets for the latest technological gadgets, social media monitoring software, Twitter dashboards and mainly engages in intuitive evaluation.

10.1.3 Assimilation, Sense-Making (Transformative)

10.1.3.1 Internal Culture, Structure & Systems

The digital forerunners create value by adapting their tactics quickly to the new set of opportunities. Both companies exhibit a flexible structure, less constrained than larger businesses by bureaucracy, planned budgets, and hierarchical structure. The latter is also confirmed by previous research in the area (Jutla et al., 2002; Cartan-Quinn & Carson, 2003; Hills et al., 2008; Gilmore, Carson, Grant, & Donnell, 2006).

Through the MIATSM model constructs it was identified that the digital forerunners exhibit an absolute dedication to learning through open-mindedness to new information from a combination of sources, and constant engagement in shared interpretation, where challenging others’ opinion is encouraged, which is stated in literature as a crucial ability
of a market-oriented company (Sinkula, 1994; Slater and Narver, 1995). The latter is also pointed out in the literature as entrepreneurial learning and entrepreneurial orientation which is directly linked to higher performance of small firms (Lumpkin and Dess, 1996; Wang, 2008). However, to create performance effects, it is most important that firms evaluate the potential value of the acquired information to the firm based on the shared understanding of the information, and use and act on the information to achieve the common organisational goals (Slater and Narver, 1995a).

Therefore, the ability to question long held beliefs and established routines is crucial (Sinkula et al., 1997). Both companies exhibit a clear growth mindset and seek challenges and learning opportunities, and a culture in which failure is openly discussed and accepted.

This collaboration, creativity, trust and integrity are also reflected in their open office layout, which supports sharing, collaboration and wellbeing. The management constantly encourages employees to develop a second area of expertise, to share and educate each other, to challenge their views, and collaborate as a part of cross-departmental teams. For example, in Company A:

“[name of Services Director] will say oh I’m going to call you on that because you’re not handling that in the right way, or you’re not this in the right way, but equally it’s open house for me to say [name of Services Director] I think the way you handled that situation the other day could have been done better, have you tried this, and we don’t take it as a…, we go actually, yeah, I did struggle a little bit with that, thanks ever so much, it’s never done in a, it’s not meant to be derogatory, it’s just meant to be help you out, at least we try, at our level we do.

Yeah, we need to be open and communicative because...

Not cry in a corner.

Because the opposite is you get people who are stuck in their ways…”

They do not see failure as a sign of inadequacy and are happy to take risks. The latter is referred to as “generative learning” that, in turn, requires fundamental understanding of the underlying cause-effect relationship between the environment and the firm (Slater and Narver, 1995a). Thus, generative learning is characterized as creativity, breakthrough, and organisational unlearning. The latter ability to question established beliefs is pointed out as a crucial ability to unlearn and develop generative learning (Fang, Chang, Ou, & Chou,
2013; Jansen, George, Bosch, & Volberda, 2008; Senge, 1990; Spicer, 2006; Slater & Narver, 1995), which is recognized in the literature as crucial in order to evolve through open mindedness and employ constant learning and ability to adjust when needed (Argyris & Schon, 1978; Wang, 2008). Therefore, the findings confirm the key role of the SME leadership in knowledge processes development and implementation, such as knowledge-capture, creation and sharing, as also well-acknowledged in previous studies (Bryant, 2003; Srivastava et al., 2006; Nonaka, & Rechsteiner, 2012).

Social media apps are used in both companies to increase internal sharing and integration of employees, to enhance trust, connectedness, and in that way, develop internal discovery of new opportunities, as also recently concluded by Huang et al. (2015). Internal social networks help Company A and B in defining the go-forward plan by asking for smart ideas that can be put to use to support their marketing transformation.

A recent study by Huang et al. (2015) investigates the organisational tensions and capabilities stemming from using user generated content through social media use along with the traditional organisationally produced content by adopting an ambidextrous theoretical perspective. The author concludes that along with the structural mechanisms facilitating the internal dissemination of information in the SME context, companies need to reinforce contextual, human-centric mechanisms, such as individual abilities and roles, and leadership (Raisch and Birkinshaw, 2008). Moreover, research shows that social media broadly contributes to the structuring and sharing of dispersed organisational knowledge (Huang et al., 2013), as also highlighted by the research participants:

Company B: “Massive amounts of knowledge”

OM of Company B: “We’ve always got the finger on the button”

The latter flexibility and preparedness to take risks, challenge the status quo, adapt and change is significant for SME evolution, as Bhide (1994, p.1) claims:

“...in fact, too much analysis can be harmful, by the time the opportunity is investigated fully, it may no longer exist... [and] entrepreneurs should play with and explore ideas, letting their strategies evolve through a seamless process of guesswork, analysis and action...”
Similarly, the OM of Company B explains:

“here a lot of places just have meetings all the time, let’s have a meeting about this and sort the agenda out, by the time they’ve had the meeting about the agenda, and the agenda about the meeting nothing gets done, so we don’t ever have a meeting, we never have meetings, we just get on and work.

If you make a mistake, then get out of it.”

The ability of Company A and Company B to align internal culture, structure and talent development with their digital marketing goal or higher purpose has also been reflected by the data and supported with an NVivo matrix. Table 29 (Appendix R) illustrates clearly the presence of flourishing internal culture in Company A and Company B, and its importance and contribution in development of assimilation and sense-making process (see Appendix R, Table 29).

The process of effective learning has been described as an encompassing activity in the dynamic capability literature, such as: knowledge sharing, collective competence; collective discussions, debriefing sessions, performance evaluation (Zollo, Maurizio; Winter, 2002). Similarly, the OM of Company B shares:

“we just drag it down, look at it, work out why it’s not working and then try to work out the best way to redo it and then we keep doing that until we actually get successful posts, can’t sleep until we do”

Company A and Company B demonstrated strong internal benefits stemming from their size, structure and leadership, such as: simple organisational structure with few internal boundaries, flexibility, direct involvement of the OM, and lack of formal prescribed marketing and social media practices, which all increase the speed of decision making and the opportunities for linking resources in different parts of the organisation. As also confirmed by Borch & Madsen (2007), the effective learning processes include broad channels of information exchange, cross-functional meetings that facilitate different sources of expertise, routines that provide exchange of joint experience among the teams and functions, and extensive communication links out of the firm. The digital forerunners’ ability and willingness to quickly reconfigure in response to market or internal
opportunities recognition is reflected by the data and visually represented in the generated by NVivo exploratory diagram (see Appendix R, Figure 50).

10.1.3.2 Actors

Both companies’ participants mention multiple times during the interviews, “trust” “transparency” and “helping each other” as key company internal values, and share that social media helped develop their teams. Denyer, Parry, & Flowers (2011) elaborate on the role of organisational culture and collaboration, and the emergence of a more open and collaborative culture due to social media technologies. Trust and transparency were also confirmed as key deliverables of organisational social media use by another recent study (Kadam and Ayarekar, 2014).

In both companies their internal culture and leadership emerged as their strongest asset contributing to the recognition and absorption process, as well as to the assimilation and sense-making process. The role of their OMs emerged as absolutely pivotal in these two SMEs which links with existing SME literature (Carson et al., 1995; Wiklund & Shepherd, 2003; Miles et. al., 2015).

Both companies aim to facilitate, encourage and establish informal knowledge sharing systems and ensure quick information flow within and beyond the company’s boundaries through a combination of various communication channels, such as:

- Cross-departmental meetings to encourage communication between functions.
- Internal social media use that helps flatten the organisation and drive transparent dialogue across levels and functions, such as: WhatsApp, messengers.
- Transparency, open conversation, fosters thoughtful interaction between management and employees.
- Ad-hoc gatherings, “shout across the room”.
- Open offices in emblematic locations.

As claimed by Argyrlos and Schön (1978, p.23): “organisational learning occurs when members of the organisation act as learning agents for the organisation, responding to changes in the internal and external environment of the organisation by detecting and correcting errors in the organisational theory in use, and embedding the results of their inquiry in the private images and shared maps of organisation”

Company A: “so it’s a lot of shared knowledge really, learning”
“Huge open door.”

Moreover, Davenport & Prusak (1998, p. 88) have suggested that the most effective way for firms to remain competitive is to “hire smart people and let them talk to one another”. The latter is also confirmed by Nonaka (1994) “although ideas are formed in the minds of individuals, interactions typically play a critical role in developing these ideas…”

10.1.3.3 Resources

Once again both companies described a completely different level of resource investment in the use of social media at the assimilation and sense making processes. Company A employed sophisticated software to store, mine and combine data from various sources in order to produce extensive insight, such as: Internal blog, KPI software and CRM database, own data mining software.

The range of resources investment in social media management varies hugely between Company A and Company B, from developing sophisticated reporting and analytics capabilities, building innovative interfaces to gather customer data, and creating mechanisms to delivering content and offers across all relevant channels, and creating mechanisms for internal information flow, collaboration, knowledge sharing and resources and skills development to intuitive, informal use and evaluation, based on basic social networks’ analytical reports, and human understanding.

10.1.3.4 Performance Measurement (good)

As highlighted in the literature review chapter, there is an agreement between researchers that social media ROI remains uncertain due to the mixture of qualitative and quantitative data generated (Angel and Sexsmith, 2011; Divol et al., 2012; Stockdale et al., 2012).

Company A’s participants point out that data can show things in a neutral way, and then the role of the experts is to put the numbers into the organisational context. Their focus is on extracting meaning from data, connect data to goals but also keeping an open mind towards new and unexpected findings, phenomena, opportunities, unexpected problems, threats.

The HoM describes that it is her job to determine how social media links to key metrics such as: leads, sales conversions and profits. As she pointed out, it is not about impressions and shares, rather, it is ultimately about identifying links to the delivery of qualified leads,
sales conversation rates, and profits but at the same time maintaining an open-minded enquiry and being responsive to any unexpected findings stemming from the social media intelligence.

Recent research shows that SMEs believe that social media is very important for their business and introduce it to build relationships with customers, increase brand awareness, showcase expertise and gain new contacts, as confirmed also by recent research (McCann and Barlow, 2015). However, the research affirms once again that SMEs do not have full evidence of this and are not fully aware of the extent (if any) of the benefit, something also highlighted by Divol et al. (2012), Stockdale et al. (2012), Nair (2011). On the other hand, Company B uses ad-hoc, intuitive evaluation.

Company B’s OM explains:

“So, it’s keep it in the green. Yeah, as long as we’re accelerating rather than decelerating, good.”

The SME literature indicates that this kind of ‘intuitive’ cognitive processing style/learning type links to identification of more entrepreneurial opportunities (Corbett, 2002; 2005). Therefore, these intuitive learning types are a key theme of the entrepreneurship research (Eckhardt & Shane, 2003). Moreover, in line with their adaptive strategy and culture, and in an age of disruption, adapting the metrics, analysing in real time and updating judgement as you go to reflect the constantly changing goals is considered by the researcher to be a viable social media performance measurement strategy, having in mind the ever-changing nature of social media technologies.

It could be argued that a combination of analytical and intuitive measurement is most suitable in relation to social media, and a focus of the human understanding and not only on the technology itself.

10.1.4 Exploitation

When researching the third process of the research, the actual marketing changes, triggers and capabilities realised as a result of the use of social media were explored. These are discussed in the next sections, starting from the intangible assets, skills, resources developed or acquired, and moving to the actual marketing operating capabilities, changed, adapted, developed or unlearned, and programmes that have ended.
10.1.4.1 VRIN

As within the DCs concept, the focus is on unique and valuable resources which are controlled by a company (valuable, rare, not imitable and difficult to substitute) (Barney, 1991), and the way in which the company exploits such resources is pointed out as a source of competitive advantage (Barney, 1991); this is also the starting point for the discovery of the DCs realised as part of this research.

The VRIN framework has been incorporated into the MIATSM model at the end of the background and beginning of the third processes/components of the model, and as part of the interview to capture senior managers’ perceptions of the extent to which their firm possesses an advantage, and to what extent any of these advantages is connected/is stemming from their social media use – in terms of either quantity or quality – in intangible resources relative to their industry rivals. The intangible resources are defined in consistency with the conceptualization offered by Itami & Roehl, (1991) including employee know how, managerial systems, special skills, company reputation, intellectual property, and informal social networks, relationships.

The reported benefits realized by Company A and Company B as a result of their use of social media are:

- Increased engagement and relationships with customers,
- Increase in brand awareness and brand loyalty, building own social identity and brand advocacy:

Company B:
“people come to us cos they think we know all the answers”
- Deep understanding of customers, showcasing expertise and gaining new contacts.
- Customizing content, communication with customers, adapting sales messages and enhancing their company’s reputation, targeting and personalisation, followed by content optimisation.

Internal benefits were also identified in terms of:

- Quicker internal communication and collaboration: dialogue, speed, trust
- Transparent structure, the information is penetrating all areas of the organisation, and is not only owned by the marketing/social media team/department
- Knowledge storage
Although Company A’s and Company B’s products can be copied and there are other firms with the same product portfolios, the personnel and processes driving their marketing programmes and sales are their unique source of competitive advantage.

In line with other recent studies, it was confirmed that on an operational level, the digital forerunners leverage social media to improve their relationships with customers, to increase the brand trust to lead to a greater customer loyalty and business value as also highlighted in previous research (Laroche et al., 2013; Trainor et al., 2014b), and internal factors (internal culture, structure and systems, actors, resources),

**10.1.4.2 Dynamic Marketing Capabilities Identified**

The digital forerunners exhibit a conscious and continuous desire to serve their customers by moving beyond just developing their products but building a capability to constantly learn and better serve the customers by solving customers’ problems and providing value on time.

Company A and B enabled a continuous marketing development processes through applying knowledge from social media to their advantage. The main DCs developed and outlined in the case studies are:

- Brand consolidation, clear differentiation, cutting costs on supporting three brands – Company A.
- Decreasing costs of using traditional marketing channels, and traditional product development and enhancement and testing processes – Company A, B
- Value creating partnerships: source content, skills, ideas, recruit experts & partners – Company A & B.
- Bringing in external expertise for product development, marketing decision-making, customised marketing messages, developing storytelling capabilities – Company A & B.
- Ability to test new ideas quickly, experiment and quickly implement changes, if there are any problems – Company A & B.
- Improvement in internal processes and structures, trust and team building – Company A & B.
- Revenue increases from products that are continually developed, with more and better features, or functionality – Company A & B.
• Improvements in marketing tactics, processes and communication – Company A & B.
• Improvement in ambidexterity capability through social media information, and a balance between exploitation and exploration – Company A & B.
• Efficient and effective customer service, driving sales, improving HR processes, and building employee brand advocacy – Company A & B.

Social media market intelligence proves a valuable source of opportunities and marketing capabilities for proactive SMEs. The empirical analysis presented provides evidence that enabling collaboration represents a vital source of knowledge for SMEs as they continuously engage in collaborations with other organisations through social media and within their teams, which extends previous research claiming the latter to account for the new social media technologies (Borch and Madsen, 2007; Muscio, 2007).

The latter findings also align with a recent research on social media and SMEs, which claims that social media can be leveraged to improve the firm’s business activities to gain business value (Wagner et al., 2013, 2014).

10.1.4.3 Ambidexterity

Both organisations exhibit the right balance for their organisation of processes and factors – the actors, structure and system, resources, culture are in place to support a simultaneous exploration of new information and existing operations’ execution. They sustained ambidexterity through the alignment and balance of exploration of incoming information and alertness to new opportunities and having a clear focus of where they want to go and exploitation of timely routines.

The latter is also reflected in the NVivo data. The data supports the claim that Company A, B and to a certain extent due to its small size Company C exhibit an ability to balance their exploration and exploitation activities, and are ambidextrous (see Appendix R, Figure 51).

10.1.5 Conclusion

Through the application of the MIATSM model and following its constructs, it was discovered that Company A and Company B adopted social media by endogenous triggers or a combination of endogenous and exogenous triggers, and through the initiative of a visionary leadership. They forged relationships directly with customers and connected with them in real time, by providing valuable content and in return becoming a hub for
consumers, hence developing brand awareness and loyalty. Through exhibiting a constant learning and improvement mind set, Company A and B are able to purposefully develop and experience marketing evolution through social media use. Both companies are considered entrepreneurial and in the entrepreneurial context, “entrepreneurship is a process of learning, and a theory of entrepreneurship requires a theory of learning” (Minniti and Bygrave, 2001, p.7). Entrepreneurial companies rely on personal networking, relationship building and word-of-mouth, engaging in proactive, innovative and risk-taking behaviour for the creation, discovery and exploitation of opportunities (Cope and Watts, 2000; Covin and Slevin, 1989; Hamel and Prahalad, 1994).

The effectiveness of the marketing activities of Company A and Company B improved as a result of their use of social media, and additionally they were able to implement radical and innovative marketing programmes. Recent research also confirmed that companies must utilize customer insights obtained from social media to continuously redefine their marketing activities and achieve radical innovation (Braojos-Gomez et al., 2015; Erevelles et al., 2016; Story, O’Malley, & Hart, 2011 and Tellis, Prabhu, & Chandy, 2009).

10.2 Digital Laggards

The other three case companies were grouped together under the label “digital laggards”, due to their inability to leverage their daily social media use and integrate it within their companies’ mission and objectives. The first company is a young micro social enterprise, named Company C, and the other two are an established old small manufacturing company, Company D, and an established old publishing company, Company E. Through the application of the MIATSM model to understand their practices, it was discovered that the three digital laggard companies adopted social media through exogenous triggers, mainly because of its low adoption cost, low level of technical expertise needed, and due to their customers and competitors being already there and interacting through social media. Although using social media extensively as part of their marketing, these companies were not able to consciously recognise, acquire and leverage the market intelligence developed, and translate it into improved marketing practices.

During the interviews, however, two of the companies demonstrated marketing benefits developed on the basis of their social media use and the acquired market intelligence. Discussion of the main findings and impeding factors identified through the MIATSM model in the three digital laggard case studies are synthesized and discussed below.
10.2.1 Micro SME. Company C (Young, start-up)

The first company grouped under the label digital laggard is Company C. The company is discussed separately from the other two laggard companies, as it is quite different from them, being the only young SME in the sample set.

Although, the company is a unique social enterprise for the local area, they are not able to communicate, leverage their competitive advantage and differentiation clearly. Company C demonstrated severe resource constraints, and inability of the owner to actively communicate and transfer their internal entrepreneurial drive to employees, due to severe lack of time and individualistic nature, as identified through the MIATSM model. Therefore, the MPRO, who is actively and mainly managing company C’s social media presence, had no understanding of the business mission, vision or social media objectives. As a result, the MPRO finds herself working on only short-term, fragmented campaign-based projects, although social media is not a campaign-based but an ongoing activity. On the other hand, social media is not perceived as a knowledge source by the OM, who is the only one performing scanning and market intelligence gathering, and reported only traditional sources of market intelligence gathering. Consequently, due to this disjointed use of social media, lack of leadership support, severe resource constraints and confusion around companies’ ambitions and goals, no performance measurement KPIs were set up, as there was a great deal of confusion around what exactly should be measured, or how to evaluate the impact of social media, and link it back to sales leads and company objectives.

The MIATSM model highlighted the personality of the owner as another impeding factor. The OM is young and individualistic, experiencing severe time constraints, due to working in three places at the same time. The OM was not able to transfer to the MPRO their passion and motivation. The individualistic drive, energy and motivation of entrepreneurs have been discussed as a particular challenge for SME success in the entrepreneurial literature (Mc Cartan-Quinn & Carson, 2003; Wang & Chugh, 2014; Stokes, 2000). Research shows that entrepreneurs and founders of SMEs are very often poor team players, and fail to transfer their drive and passion to employees (Stringer 2000; Lanza & Passarelli, 2014).

Multiple discrepancies emerged between the two company C participants, starting at a strategic level and finishing at the level of operational social media use and perceptions. The MPRO had no idea of mission, purpose or organisational marketing strategy;
moreover, the MPRO provided examples of organisational social media use that could not be found in their social media content, despite the extensive search of the social media data performed by the researcher. It could be argued that their social media use is chaotic, disjointed, and short-term, campaign-based. It is believed that the MPRO deliberately reported false information in an effort to justify and evidence good organisational use of social media, as they were the one responsible for social media use.

It should be noted, however, that the researcher recognizes that a potential prerequisite for so many discrepancies between participants emerges from the fact that individual interviews were conducted with participants and the interviewer was not able to discuss and follow up on the numerous discrepancies with the participants due to their time constraints, and the fact that the company did not exist for long after the interview.

Despite the identified internal and external barriers to use and transformation of social media intelligence, the company has been able to detect a competitive threat through scanning of social media, and moreover, to quickly respond by unlearning/cancelling an event which led to marketing cost savings.

The DCs literature shows that young SMEs often face problems when undertaking capability development processes, and their ability to develop new capabilities is limited because they have few capabilities (Zahra and Filatotchev, 2004). The latter is considered as another reason why company C could not realize the potential benefits and use effectively social media market intelligence.

### 1.1.1 Medium and Small Traditional Knowledge-Intensive & Traditional SME. Company D and Company E

The other two businesses grouped under the digital laggards’ category are established businesses, both trying to catch up and adapt to the new market realities triggered by the digital technology disruption. Through the lenses of the MIATSM model, it was identified that one common characteristic of these two businesses is their lack of mission and strategic purpose. They had no idea, no road map of what they wanted to achieve and in which direction they wanted to go. The participants from both companies demonstrated a fixed mindset. They did not perceive social media as a knowledge source, and respectively did not see the potential of social media as a knowledge source. Not surprisingly, through the MIATSM model it was also discovered that social media adoption was externally initiated in both companies, and not by the OMs. Another condition emerging through the
application of the MIATSM model was that both companies’ management exhibited a lack of skills and interest to develop social media skills and lead organisational social media activities effectively. Therefore, Company E hired an external expertise to manage their social media use, and Company D outsourced their social media use to an agency. Due to the lack of ability to see the potential role and contribution of social media to their company development, both companies were focused on exploitation of established routines and were highly resistant to change.

In contrast to the digital forerunners, they apply traditional push marketing approaches to their social media use, which leads to marketing practices and social media content that are brand, product, or, in other words, self-centric. Their social media practices are focused only on generating awareness and selling their products. The latter was also confirmed by the NVivo word frequency clouds developed of words used by Company D and E. The fact that they are actually established and successful businesses biased them toward exploitation of their established and successful routines, and neither resources nor time were dedicated to exploration of new information and practices. As acknowledged in the literature, companies are successful because they have established operating models that work (Sinkula et al., 1997; Sinkula, 1994).

From the beginning of their interviews, it became apparent that managers and employees were not aware of the organisational mission. Both companies’ participants did not know what they needed to do or what resources would be required to deliver the performance that the leadership expects. They were not able to recall mission, vision, any higher-purpose or an organisational strategic goal, and therefore although they both had a formal marketing strategy they were unable to align it and measure its effectiveness. Consequently, they also struggled to calculate the ROI of their social media expenditure.

10.2.1.1 Recognition & Assimilation (Exploration)

Company D and Company E exhibit old fashioned traditional marketing approaches, and tend to focus their social media efforts on generating awareness and generating sales, through brand, product-focused content, and their social media content coming on too strong, and being sales-centered (see Company D and Company E word clouds).

Their social media practices are also in line with their traditional marketing approach of pitching their products.
**10.2.1.1 Internal Culture, Structure & Systems**

The digital laggards employ traditional prescribed linear marketing approaches, in contrast to the new marketing paradigm seeing marketing as an encompassing activity (Drucker, 1954). They are focused on developing a digital strategy when they should instead focus on integrating digital into all aspects of the business, from channels and processes and data to operating model, incentives, and culture.

The Internal culture component of the MIATSM model uncovered that Company D demonstrated a strong feeling of guilt of not being able to catch up with technological developments, and in particular with collaborative social media technology, which is also demonstrated in the NVivo exploratory diagram (Appendix R, Figure 52), that explores the connections between the “fear of risk” unit of analysis and the data connected to it.

The leadership of both companies is disconnected from social media use and planning and the management effort is allocated to planning and directing using a traditional top-down approach.

Company D outsourced their organisational social media use, and Company E hired external expertise to fill their social media skills gaps but failed to integrate it within the company, and both companies demonstrated insufficient coordination across the organisation. Both companies’ employees had no idea of their higher purpose or goal, and employed disjointed initiatives with no cross-functional attitude and culture. The traditional outsourcing, agency-client model does not work well with social media due to social media continuity of interaction, and the close two-way nature of the interaction that the social media technologies enable. Social media is not a campaign-based activity but an ongoing one, and it requires an in-depth industry and company context understanding.

Company D’s HRMM highlighted in a few occasions during the interview that “digital natives” are better with technology, which is seen by the researcher as a way to excuse and explain their own skills gaps and decision to outsource organisational social media use. During Company D’s interview, there was a feeling of being a victim of digital technologies, and in particular of social media. The fact that Company D outsourced the communication with their customers and acted under the direction of a parent company made their organisational structure and information and their communication flow even more complex and impeded. The MIATSM model showed that this complexity inhibits even more their ability to recognize or respond to market signals.
In addition, both companies are established and larger, with relatively hierarchical and bureaucratic structure. In line with the existing literature, hierarchy and bureaucracy (particularly in medium-to-large firms) are factors strongly connected to inhibit collaborative learning (Argyris, 1977; Wang, 2008). In today’s fast-paced dynamic market, hierarchical structure is slow to respond to changes and tap into opportunities.

Company D: “if we need to turn something around or change something then we will, we try not to, I mean I say a year but it’s really six months isn’t it, and then we’ll sit down with them again and look where the market is, look what the opportunities are, what’s working, what’s not worked, what not to waste any more budget on.”

Their lack of strategic direction creates path dependencies with reduced efforts, even avoidance of new business strategies, as also highlighted by Borch & Madsen, (2007). The MIATSM model application highlighted exactly this bias toward action combined with the hierarchical structure and the outsourcing of the communication with their audiences as detrimental to both companies’ marketing improvement. The success of their existing routines constrains their capacity to open their mind and grasp the future, which reflect on the ability of the company to continuously develop, question, unlearn and innovate in their marketing.

10.2.1.1.2 Actors
By both companies’ interviewees the organisational social media use is seen as an activity that certain people do in certain departments, performed in isolation and disconnected from organisational mission, purpose, strategy and structure.

10.2.1.1.3 Resources
Not surprisingly, Company D and Company E declared the highest social media spending. Company D hired an agency to manage their digital presence. The agency looks after organisational SEO, content, social media, blog, website. Company E hired fresh expertise from industry, and currently builds an in-house social media team. However, it was identified through the application of the MIATSM model that a high level of resource investment does not necessary mean high return.
10.2.1.2 Assimilation Sense-Making (Transformation)

10.2.1.2.1 Internal Culture, Structure & Systems

The MIATSM model uncovered that both digital laggard companies are highly dysfunctional. Social media is used only within the marketing team/department with no intelligence or insight crossing the boundary of their marketing/social media department. Employees are not motivated, nor incentivized to use social media; on the contrary, employees’ use of social media is restricted. The leadership appears unable to drive focused and purposeful marketing and social media practices, nor to promote better organisational culture. Moreover, the leadership is completely disconnected from the planning and use of social media.

The HRMM of Company D referred to employees as “random people”, which shows lack of trust in employees. Both Company E and Company D focus on developing a marketing and social media strategy, when they should integrate social media into all business aspects.

Both companies could not connect their social media use to their business objectives and communicated a confusion and inability to evaluate the performance of their social media use. The leadership failed to lead the organisational social media initiatives. They discounted the value of social media by outsourcing to external partners or isolating it as a separate organisational function.

10.2.1.2.2 Actors

Interview participants from both companies realise that they need to change and adapt their marketing to the new technologies, industry dynamics and competition but do not know how, nor the extent of change required. For example, the OM of Company E hired experts but does not integrate them into the organisation. Similarly, Company D outsourced their digital marketing and also disconnected it from the core business. They do not perceive social media as a knowledge source, and have no idea of the strategic direction they are following or what the goal is aiming to achieve.

Company D: “we do need to up our game in terms of competencies and skills because it’s moving all the time and you tend to fall behind and you end up always paying somebody to do something that actually you could do yourself if you just knew what you were doing.”
10.2.1.2.3 Resources

Not surprisingly, both companies were not able to connect social media objectives to organisational objectives, nor to measure the effects. No investment in sense-making and transformation activities have been reported by the digital laggards.

10.2.1.2.4 Performance Measurement (Bad)

Both Company D and Company E are also struggling with the performance measurement of their social media use, and the return of investment calculation. They are trying to put it in the box of traditional sales metrics, and to measure it by following very narrow approach. In the case of Company E, there was an inability to measure the performance of KPIs set up – such as engagement, followers, shares – and connecting the latter to sales metrics – such as lead generation and conversions – which led the management to the decision to hire a new media development manager. Company E used KPIs – such as followers, fans, shares and comments – that can’t be linked directly to firm/marketing performance, as also acknowledged in literature (McCann and Barlow, 2015). However, the latter are used only within the social media department, and their value is unknown for the broader organisational objectives.

Company D, on the other hand, communicated inability to understand statistics reported by their digital agency and inability to connect these statistics to their marketing goals, strategic goals and higher purpose. Time constraints have been reported as impeding the ability to analyse and make sense of the statistical reports received by Company D’s agency. Company D’s HMPR shares that they get regular updates of the statistics from their serving agency but they do not understand these statistical reports, and are unable to link the statistics to their marketing objective and organisational higher purpose or company performance. Their inability to exploit their social media use is also reflected and supported by the NVivo data (see Appendix R, Table 30 and Figure 54), which also indicates their inability to absorb, develop and make use of market intelligence from social media.

Neither company perceives social media as a source of market intelligence, and therefore are looking to connect it to conventional sales measures. However, as acknowledged, having such a narrow focus actually diverts value adding market intelligence, ideas, knowledge, opportunities, threats identification stemming from social media. Both companies only enable a focus on traditional retrospective/lagging indicators, which only confirm long-term trends, but do not predict them, nor are able to account for any
unexpected and unpredicted events, conditions or market signals. The traditional metrics are unable to account for prevalent qualitative social media data. It is argued that social media does not fit into the box of the well-known and traditional quantitative metrics, and the old saying, “You can’t manage what you can’t measure” is not valid and applicable in the social media context.

Social media should not be measured through metrics tightly fixed in advance but rather should be regarded as a knowledge source and analysed with an open mind. Therefore, the main changes should be in shifting the leadership’s mind-sets and organisational performance metrics from narrow, constrained and retrospective KPIs to open-mindedness to unexpected possibilities. Therefore, there is a need for metrics that reinforce new behaviours and processes, and are flexible enough to account for the speed of changing organisational marketing processes, tactics and products.

10.2.1.3 Exploitation

Both companies failed to recognise and employ social media to serve their organisational purpose nor use it as a source of unexpected knowledge and align it with higher purpose to serve customers, market conditions and competitors’ capability, so it was not able to deliver value. They added social media to their established traditional marketing mix but failed to integrate it within the organisation. Instances of missed opportunities and inability to realise benefits and evolve in their marketing programmes are also confirmed by the NVivo data and the matrices generated for Company C, D, E (see Appendix R Table 30, Figure 54), which evidence missed opportunities and lack of evidence coded for realised dynamic capabilities.

10.2.1.4 Conclusion

The main impeding factors in the context of the three digital laggard companies, identified through the MIATSM model lenses, are the lack of leadership support and realization of the potential of social media for their marketing practices development, the lack of clearly communicated mission, vision and strategic direction, impeding communication action, hierarchical and bureaucratic structure, and problems to hire and develop teams. Surprisingly, the lack of social media strategy is not a problem with primary importance, as are those listed above. Neither does the investment in social media guarantee a good use of social media for marketing development. The digital laggards adopted social media
through external triggers, and although they could not realise its potential, they reported some unplanned marketing benefits realized through its use, such as:

- Cancellation of event (unlearning), marketing budget savings – Company C
- Storytelling capability – Company C, D, E
- Sourcing of content and expertise – Company E
- Selling – Company C

10.2.1.4.1 Ambidexterity

In a business environment increasingly disrupted by digital technology, the highest performing firms, as highlighted in the DCs literature, are those who can simultaneously balance explorative innovation with exploitative initiatives in an ambidextrous fashion (He and Wong, 2004; Raisch and Birkinshaw, 2008; Raisch et al., 2009). However, the latter has proved to be a fundamental challenge for Company D and E, and is well acknowledged as a challenge for established SMEs in the ambidexterity literature (Hitt & Ireland, 2000; Hitt et al., 2003; Vargo & Lusch, 2004; Borch & Madsen, 2007).

Both companies were unable to unlock and build ambidexterity capability through the use of social media, as they were trapped in their established routines, and social media has been used on a superficial level, and as a part of traditional marketing communication and a selling/push approach, and locked outside of the organisational core mission, goals and organisational structure.

The particular impeding factors that restricted ambidexterity in the two established case companies identified through the MIATSM model match the ones confirmed in the existing research in ambidexterity, such as lack of supportive leadership, lack of internal flexibility and an aligned top management team (Borch and Madsen, 2007; Gibson and Birkinshaw, 2004; Lubatkin, 2006; Mom et al., 2007; Tushman and O’Reilly, 1996).

Company D and Company E proved unable to manage the trade-off between sustaining the status quo and adapting quickly to seize opportunities stemming from the ever-changing market conditions. This is a well-known challenge that established successful firms face, and particularly worrying in the context of established companies that have to adapt to a highly disrupted and constantly changing market dynamics while managing their established operations.
It is argued that Company D and Company E became trapped in their existing rigid operations and traditional marketing management style, their past success, bureaucracy and hierarchy, which all acted as a barrier to future progress. The MIATSM model application clearly indicated that both company D and E are focused on the core organisational competence and are not open to new ways of executing their organisational purpose. They do not see social media as a knowledge source and exhibit a fixed mindset which, as confirmed by the existing organisational learning literature, limits the ability to learn because it makes them focus too much on performing well (Alvesson & Spicer, 2012a; Argyris & Schon., 1978; Nonaka, 1994).

10.2.2 Cross-case Comparison

The cross-case analysis presented in this chapter discusses the case companies’ different reactions to social media and their various level of learning and marketing practices optimization, realised through their daily use of social media. The case study analysis, performed through the use of the MIATSM model, and structured under the MIATSM model, enables an in-depth understanding of the processes of interactive learning between operating and dynamic capabilities, and how they led to differences in the marketing evolution of the five researched companies, sorted into two sub-groups: digital forerunners and digital laggards. The MIATSM model illustrated the under-researched, intuitive “real-time learning processes” enabled by social media use as crucial for the company’s marketing evolution, and highlighted impeding and facilitating organisational factors.

As demonstrated through the MIATSM model, the responses of SMEs to the accumulated market intelligence are markedly different. The analysis suggests that some companies emphasise constant development and flexibility in contrast to others which do not perceive social media intelligence as a source of knowledge and are reluctant to change.

The MIATSM model application showed, however, that for both laggards and forerunners, the organisational context and organisational factors contributing or respectively impeding the absorptive capacity processes are crucial determinants of the success of the processes of absorptive capacity development on the operating and dynamic capability level. Understanding the organisational factors and context has been of crucial importance for the development of the in-depth understanding of these processes, as also highlighted from an absorptive capacity perspective (Lyles & Easterby-Smith, 2003; Van den Bosch, Van Wijk & Volberda, 2003) and a DCs perspective (Eisenhardt & Martin, 2000; Ambrosini &
Bowman, 2009). The organisational context is also pointed out as highly important in the SME literature due to its variety in the SME context (Storey, 1994; Carson et al., 1995; Cartan-Quinn & Carson, 2003; Jones & Rowley, 2011; Carson, Gilmore, & Rocks, 2004).

Through the lenses of the MIATSM model, it is identified that the social media market intelligence penetrates all areas of the digital forerunners companies and enables real time learning and market evolution. Moreover, social media underpins their business models, the way they deliver their value proposition and interact with customers and the way they bring their value proposition to the market. Social media also enables a new way of operating within the company and building of cross-departmental structure and teams. The table and figure below, generated by NVivo, demonstrates the summary of the number of coded instances of data, evidencing the presence of the recognition and absorption process at a cross-case level, and the contributing factors in the five case companies (Table 19, Figure 29). The developed matrix demonstrates the presence of the process in all researched companies, although not all of them have established the necessary structure and systems to disseminate information of interest internally. Additionally, the table clearly demonstrates that the coded data evidencing the presence of the recognition and absorption process in Companies C, D and E is considerably less than the one coded for Companies A and B.

**Table 19 Instances of Data Coded Across-cases under the Recognition and Absorption Processes**

<table>
<thead>
<tr>
<th>DC (Absorptive Capacity)</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
<th>Company E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition &amp; Absorption</td>
<td>27</td>
<td>19</td>
<td>7</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>2:2.1 Actors</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>3:2.2 Internal Culture</td>
<td>18</td>
<td>12</td>
<td>6</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>4:2.3 Resources</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>5:2.4 Structure &amp; Systems</td>
<td>3</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>
Figure 29 Cross-case Comparison – Recognition and Absorption Process

The cross-case matrices for the assimilation and sense-making process and the exploitation (Table 20, Figure 30 and Table 21, Figure 31) generated by NVivo based on the data coded are also displayed below. The matrices highlight and reinforce the findings and conclusions, discussed in the present section, by demonstrating the digital forerunners’ ability to align internal context – actors, internal culture, resources, structure and systems – with rising market intelligence, and develop new understanding.

Table 20 Instances of Data Coded Across Cases under the Assimilation and Sense Making Process

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 : 3 - Assimilation &amp; Sense-making</td>
<td>17</td>
<td>10</td>
<td>7</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>2 : 3.1 Actors</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>3 : 3.2 Internal Culture</td>
<td>8</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4 : 3.4 Resources</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>5 : 3.5 Structures &amp; Systems</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
The matrix generated by NVivo in relation to the assimilation and sense-making process confirms Company A and Company B’s ability to develop and execute the processes of interest by exhibiting the right combination of organisational factors – actors, structure and systems, resources and internal culture.

The data clearly confirms the drawn conclusions by demonstrating and illustrating the ability of Company A and B to recognize, absorb (Table 19, Figure 29) assimilate, make sense (Table 20, Figure 30) and exploit (Table 21, Figure 31) market intelligence from social media and transform their marketing practices. Table 21 represents to what extent the five case companies developed marketing capabilities as a result of their use of social media and Figure 31 visualises the data relating to exploitation.

Table 21 Realised Marketing Capability as a Result of the Use of Social Media

<table>
<thead>
<tr>
<th>DC (Absorptive Capacity)</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
<th>Company E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realised DCs Process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 : 4 - Exploitation</td>
<td>27</td>
<td>37</td>
<td>16</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>2 : Balance between Exploration &amp; Exploitation Ambidexterity</td>
<td>8</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3 : VRIN</td>
<td>20</td>
<td>27</td>
<td>14</td>
<td>8</td>
<td>3</td>
</tr>
</tbody>
</table>
Companies C, D, E, as discussed in the within-case study analysis, also developed some marketing advantages unintentionally, developed on the basis of the market intelligence accumulated through their social media use, although they did not realize them before the interviews. The VRIN resources of all participating SMEs, such as loyalty, engagement, and relationships, were also positively impacted, as shown in Table 21. The developed and presented matrices demonstrate the number of prompted and unprompted references coded that came up during the analysis. It should be highlighted once again that numbers in the matrices indicate patterns in the data and are not absolute numbers.

The operational excellence of Company A and B is confirmed and illustrated through the NVivo cross-case queries/matrices, and highlighted as a main advantage of these two businesses, in contrast to the outbound rigid structure and traditional marketing practices of the digital laggards. The digital forerunners exhibit an ability to rapidly learn through a trial and error approach, iterate their marketing practices constantly and align organisational factors – structure and systems, internal culture, resources, actors – toward the right solution.

The outcome of the social media practices for the forerunners companies is a dynamic process of collective learning, which led Company A and B to create higher order marketing understanding and learning, which in turn allowed the development, and deployment of substantive marketing capabilities, and quick adjustment to fast-changing markets. The operational effectiveness of the learning processes and alignment of
underpinning factors – actors, structure and systems, internal culture and resources – emerged as more important than the long-term strategy.

The application of the MIATSM model and its enabling/impeding factors highlighted the leadership commitment, the clarity of the strategic vision, the flourishing internal culture and the consistent communication between teams/departments, as well as the leadership involvement in digital and social media use as crucial factors/conditions for the success of the learning processes and the marketing transformation, much more important than the level of resources invested.

Through the presented in the within-case analysis sections, NVivo word frequencies queries (Figures 11, 22, 29, 35, 40), an interesting link was uncovered between the words used in companies’ posts and their level of learning and higher purpose awareness. Words were linked to organisational mission and vision, and more action verbs emerged in the word frequency clouds of Company A and B (Figures 12 & 22), as well as words linked to what they believe is their driver of change, the future of their industry or of value to their customers. The digital laggards word frequency diagrams uncovered the most frequently used words, such as the names of their own products, industry, brand and company names; words mainly emerged that were product- and self-focused (Figures 29, 35 & 40).

A comparison of the number of data instances coded for each of the five companies is presented in Appendix R (Figure 53). Additionally, Figure 32, generated by NVivo, is an exploratory diagram presenting all the instances of data coded as examples of changes of marketing practices (exploitation) as a result of social media market intelligence use. Both diagrams once again confirm Company A and Company B as digital forerunners with realized benefits from their social media use. Lastly, the five case companies were grouped by word similarity in their social media content (Figure 55) and the results are presented in Appendix R.
10.2.3 Chapter Summary

This chapter presented findings from the five case studies exploring the social media use of diverse SMEs from the South East of England. The MIATSM model provides rich insights and structure for the case studies’ within and cross-case analysis. The findings revealed the suitability of the MIATSM model to enlighten the highly context-dependent learning processes taking place in various SMEs as a result of their social media use. The MIATSM model proved a useful model that enabled an in-depth understanding generation of the diverse learning and marketing adaptation processes and contributing factors taking place in different SMEs as a result of their use of social media. Similarly, as with the within-case analysis, the cross-case analysis adopted the MIATSM model constructs and contextualized the dynamic and operating capability of social media market intelligence accumulation, sense-making and exploitation, and enlightened how SMEs of various size, age and industry can routinely develop operating and dynamic capability through their
social media use and continuous learning/absorptive capacity development. The MIATSM model helped to uncover processes and resources applied, developed and leveraged in a cross-section of SMEs, and the enhanced marketing practices.

The MIATSM model illustrated how social media could supply real-time market knowledge to fuel SME marketing evolution, and thus reduce uncertainty and resource scarcity. The MIATSM model enables an in-depth understanding development and positions social media market intelligence as a vital strategic asset for marketing development that successful companies need to react to in order to shape the marketplace.

The next chapter presents discussion, synthesis of these findings and contributions, and conclusions.
11 Conclusions

11.1 Introduction

This final chapter of the thesis draws conclusions in terms of how the research addresses the research objectives. The chapter evaluates and discusses the substantive findings of this research, and the contributions to the academic literature and to business practice that they provide. The findings from the developed within and cross-case analysis provided a basis to validate the MIATSM model. This chapter also discusses the implications of the findings for managerial practice, and for further research identifies the limitations of this research, and suggests areas for future research.

11.2 Discussion and Contribution

This research explores the learning and marketing transformation processes taking place within SMEs of different size, age and industry as a result of their social media use. The review of literature, unique model development and the empirical evidence gathered provide a unique contribution to the academic literature, and a completely new perspective on SME social media practices.

Organisational ability to learn faster than competitors, is considered a key source of competitive advantage (Dickson, 1992). In the SME context, the ability to develop new understanding for problem-solving and opportunities identification (O’Driscoll et al., 2000; Paniagua and Sapena, 2014) through constantly accessing vital and inexpensive real time environmental information (Carson et al., 1995; Franco and Haase, 2009; O’Donnell, 2014) as well as to engage in strategic renewal processes (Cope and Watts, 2000; Cope, 2005; Corbett, 2005) are considered core competencies, linked to SME high performance (Liao, Welsch, & Stoica, 2003; Wiklund & Shepherd, 2003; Singh et al., 2008).

The latter organisational learning effort is particularly important in today’s fast-changing, competitive markets. It is about an incremental improvement of existing knowledge, skills and processes, and about exploration and development of new knowledge skills and processes (Cohen and Levinthal, 1990; Levinthal and March, 1993).

The present research extends the latter argument to account for social media’s market intelligence as a source of such continuous learning for marketing improvement and develops and proposes a model to study these processes – the MIATSM model. Moreover,
the present research links social media to the theories of competitive advantage and firm performance through the MIATSM model.

Having in mind the characteristics of SME marketing that are determined by severe resource, time and market information constraints (Gilmore, Carson and Rocks, 2006), it is even more important for SMEs than larger companies to learn through their daily social media interactions (Hamburg and Brien, 2014) in order to “learn faster than the competition rather than to outwit them.” (Snyman and Kruger, 2004).

The research uses the absorptive capacity construct of the DCs theory, as part of the MIATSM model, as a theoretical lens to study the processes of social media market intelligence development and application in a comparative sample of SMEs, addressing a substantially under-researched area of how social media contributes to SME marketing evolution. The present research examined learning from social media at operating and higher-order dynamic levels, and the resulting marketing activities evolution. Using the MIATSM model, this research explores how a diverse selection of SMEs develop and execute absorptive capacity processes by accounting for their unique context, through uncovering the following processes set up as the present thesis’s research objectives:

- Exploration and capturing of market intelligence through social media practices (exploratory learning or potential absorptive capacity);
- Internal sense-making of the acquired information (learning) in SME marketing context (transformative learning or realized absorptive capacity that also relates to knowledge storage over time);
- Exploitation of that learning by studying how the marketing operational capabilities are altered as a result (exploitative learning);

The need to develop marketing models/frameworks suitable for smaller firms has been widely acknowledged (Carson & Cromie, 1989; Gilmore et al., 2001; Stokes, 1995; Watkins & Blackburn, 1986) and networking and relationships building have been acknowledged as a useful way for SME owner/managers to expand marketing expertise and knowledge (Gilmore, Carson and Rocks, 2006). The MIATSM model was developed and validated in this respect as a unique and flexible model that recognises the informality of SME marketing and at the same time facilitates an in-depth understanding development of the highly context dependent processes of SME social media use, intelligence recognition, its transformation and exploitation for SME marketing development.
The bulk of the current research concerning SME learning does examine start-ups and individual entrepreneurs (Reuber and Fischer, 1999; Wang, 2008; Yli-Renko et al., 2001); however, the SME, DCs and OL literature indicates that established companies of any size struggle to pursue new opportunities because of their rigid routines (Borch and Madsen, 2007; Hitt et al., 2001; Vargo and Lusch, 2004). Numerous scholars have called for better understanding of the learning process within existing firms (Cope, 2005; Schildt et al., 2005). The higher failure rate in the first years of business start-up highlights the importance of continuous learning (Kempster and Cope, 2010). Therefore, SMEs were selected in order to contribute to advancement of the understanding of the learning processes taking place predominantly in established SMEs. Only one of the participating companies is considered a young SME, as it is only two years old.

The application of the MIATSM model to study diverse selection of SMEs showed that through their daily social media use and based on their recognition of unexpected opportunities or threats, underpinned by a flourishing internal environment and internal flow of the information, two of the researched case companies, the digital forerunners (Companies A & B, established, knowledge-intensive) were able to leverage, acquire and reconfigure resources and marketing programmes. The latter ability of SMEs to mobilise resources and capabilities, and align them dynamically with the changing opportunities in the environment, is pointed out as vital to their survival and competitive advantage creation (Kim, Akbar, Tzokas, & Al-Dajani, 2013; Liao et al., 2009). External, real-time market knowledge and firms’ ability to generate it are at the core of organisational competitiveness (Spender, 1996), and are recognized as even more important for SMEs given their severe resource constraints and limitations (Gilmore et al., 2001).

Although the other three companies (Company C, D, E) were not able to intentionally and strategically employ social media to leverage their marketing competencies, they were still able to unconsciously develop a certain degree of marketing adaptation on the basis of the accumulated intelligence and developed understanding, as uncovered through the MIATSM model application. In addition, these three case studies are very informative in enlightening the factors and conditions impeding dynamic marketing capabilities development through social media use in the SME marketing context.

The absorptive capacity concept as a way of creating and sustaining competitive advantage, which lies at the heart of the MIATSM model, was successfully applied to link social media and SME marketing, which is in line with Zahra and George’s (2002b) calls
for better understanding of the role played by absorptive capacity in creating and sustaining a competitive advantage for the firm by studying the concept from multiple perspectives. In addition, Lane et al. (2002) highlight, based on 189 articles on absorptive capacity, that the current literature is disappointing as a guide to understanding what absorptive capacity is, due to the fact that outside of the R&D context, very few attempts have been made to examine and understand it and there is no consensus among researchers about how to identify and measure it, particularly in the case of SMEs (Muscio, 2007). Therefore, the synthesized factors facilitating and/or inhibiting the context dependent processes of absorptive capacity development were identified and synthesized, and the latter is considered as another contribution of the present research to the DCs theory, and also to SME marketing literature that also recognizes the need to account for SME context.

The case study research design allowed for the collection of rich insight with which to validate the MIATSM model. The data, collected through semi-structured interviews, observation, informal discussions and social media data, and structured under the MIATSM model, allowed the researchers to understand the highly diverse processes, and the contributing context that capture learning at the operating and dynamic capability levels, and transform this learning into marketing evolution. Findings reveal the multidimensional nature of the learning processes taking place in SMEs enabled through the market intelligence accumulated through social media use. The context is acknowledged as crucial when researching both SMEs and DCs formation, due to the latter context-dependency (Carson et al., 2004; Mc Cartan-Quinn and Carson, 2003).

The key conditions/factors, contributing to the successful development and application of the absorptive capacity are organic, flatter structure, informal sharing across organisation, quick adaptation, leadership involvement, and marketing that links all areas of the business, trust and involvement of companies’ employees in social media use by equipping them with vision and higher purpose. Storey and Greene (2010) criticise previous research for its lack of explanation of how companies re-combine and alter their VRIN factors in order to achieve and sustain competitive advantage. It was identified that managers’ ability to shape and communicate firms’ future, link it to the strategic direction and communicate and motivate employees has significant importance, which corresponds with previous research on the role of the OM for SME success (Borch and Madsen, 2007; Gilmore, Carson and Rocks, 2006; Hulbert et al., 2013; O’Donnell et al., 2002).
The OMs’ attitudes and behaviour emerged as critically important and impactful on the other SME employees’ behaviour and attitudes. The visionary digital forerunners’ owners are actively involved in social media initiatives and initiated social media adoption and use themselves. The OM’s belief that adoption and use of social media will deliver benefits to the organisation, their positive attitude towards risk taking and change in general, emerged as critical factors for the success of their social media use for marketing development. Managerial decisions are acknowledged as some of the most critical antecedents of capability transformation (Adner and Helfat, 2003) and the OM is crucial in encouraging intra- and inter-organisational sensing and exploiting of opportunities (Carson et al., 1995; Cuervo, 2005; Wiklund and Shepherd, 2003). Moreover, the OMs’ willingness to challenge existing beliefs, their curiosity and open-mindedness emerged as key individual capabilities in the management of their social media and are also confirmed by Day (2011).

Contrary to expectations, the level of budgets and physical resources investment was not so important to learning process formation. On the contrary, companies that heavily invest were the ones that did not reap the full potential and benefits of their social media use. It is argued that the resource scarcity of Company B contributed to a great extent to their innovative, creative and experimental use of social media. Changing economic environments and digital disruption pose severe challenges to all kinds and size of SMEs. Regardless of their industry, they all felt that they had to use social media, therefore the market dynamism was not a crucial differentiator between companies.

On the other hand, absorptive capacity’s prior history construct emerged as a significant contributor and even a “gatekeeper” for further absorptive capacity development. Companies that were early adopters of social media, and systematically monitor a broad range of sources of information that could be relevant to their future prosperity were able to recognize and react to market signals quicker. The prior development of understanding prior history enabled them to continue to be open minded and constantly innovate. The already developed absorptive capacity definitely contributed to keeping them alert and ahead of the curve.

The lack of experience of developing dynamic capabilities, and the lack of prior knowledge are considered as factors impeding Company C’s marketing evolution. The findings of Fritsch and Lukas (2001) in relation to absorptive capacity development and innovation are similar. Therefore, the impacting factors of the MIATSM model – internal culture, structure and systems, actors and resources – emerged as VRIN factors.
The present research also complements the existing dynamic capability research by examining how dynamic and operating capability interact. Through the MIATSM model, it was identified that the interaction between dynamic and operating capability is this crucial activity, driving the marketing evolution of the small firm, enabled or hampered by the company’s internal and external context.

Another key contribution of the current research is the novel “outside-in” approach of DCs development, on how operating affect dynamic capabilities. The latter is in contrast to the current unidirectional emphasis in the literature on how dynamic capabilities affect operating capabilities. As Day (2013) claims, the full benefit of the DCs will be realized by firms undertaking an outside approach to the development of their dynamic capabilities. An outside-in approach to strategy starts with the market (Day and Moorman, 2010). As Day (2013, p.28) highlights:

“The management team steps outside the boundaries and constraints of the company as it is and looks first to the market: How and why are customers changing? What new needs do they have? What can we do to solve their problems and help them make more money? What new competitors are lurking around the corner, and how can we derail their efforts? This perspective expands the strategy dialogue and opens up a richer set of opportunities for competitive advantage and growth.”

Similarly, the attention being paid to social media use in existing research is mostly focused on how companies are reaching out to consumers or employing an “inside out” approach.

This research also makes a contribution to social media performance measurement by pointing out the importance of introducing social media metrics that reinforce new behaviours and processes, such as how fast a process or marketing practice changes, how quickly a product is launched or a marketing tactic/programme changes.

Another identified contribution of the research is the recognition of the need to manage contradictory activities on a daily basis, known as ambidexterity, by managing establishing communication and marketing activities and the constantly incoming ad hoc information from social media. As claimed by Jansen et al. (2009, p. 806), firms need to “mobilize, coordinate, and integrate dispersed contradictory efforts, and to allocate, reallocate,
combine, and recombine resources and assets across dispersed exploratory and exploitative units”.

Therefore, the ambidexterity construct was examined and emerged as particularly important as part of the dynamic capability development on the transformation phase of the model, in order to understand how marketing ambidexterity was or was not enabled through daily social media use. Thus, social media also adds to sustaining ambidexterity by constantly feeding market intelligence for exploration if a company is open to receiving and assimilating it. Therefore, the tasks of recognizing, acquiring, assimilating, and sense-making external knowledge become central success determinants, as highlighted by Zahra & George (2002).

Moreover, the MIATSM model demonstrated that the ongoing nature of social media changes the organisational focus from pre-defined strategy toward operational effectiveness. The MIATSM model application showed that for the digital forerunners the right balance of ambidexterity in accordance with their company context was achieved by having an overarching vision and values that inspire, a flourishing organisational culture, and quick information flow, and flexibility which all link to extant ambidexterity research (Tushman and O’Reilly, 1996). In contrast, too much reliance on existing knowledge and skills hindered the ambidexterity of the digital laggards. The latter findings are in agreement with previous research which argues that established firms fail to develop dynamic capabilities because of the “cognitive myopia” that develops when these firms become embedded in executing current routines (Christensen, 1997; Teece et al., 1997).

The present research is one of the few studies published in the last two years that contributes to the understanding of how social media technology empowers SME marketing development. Other such studies are: Braojos-Gomez et al. (2015), Harrigan et al. (2010), Wagner and Wagner (2013). The present project provides a unique, in-depth understanding in the under-researched area of social media use and implications for SME marketing development. Daft and Lewin (2008, p.182) are recommending this kind of “…new theories and ways of thinking about organisations” as needed and preferred over the currently prevailing incremental “gap filling” research (Alvesson and Sandberg, 2012).
11.2.1 Discussion of Push Marketing vs Pull Marketing Practices through Social Media Market Intelligence Accumulation and Exploitation

Through the MIATSM model, it was identified that the digital forerunners exhibit a strong outside-in approach regarding customers, not on their own brand or own products. Contrary to traditional, prescribed marketing approaches, starting with traditional market research, target market and marketing objectives formulation, and focus on established strengths, they are constantly asking themselves: Who are our customers? What do our customers need?

The digital forerunners strategies identified through the MIATSM model were the so-called pull, customer-centered strategies. Proactive companies are constantly scanning new ideas, shaping them and finding new ways to express and deliver them, through constantly monitoring both physical and social media channels of market intelligence accumulation. They are committed to continuously improve internal communication and processes to be able to quickly transfer, share, store and challenge any new information. They realize that enabling a process of ideas generation and sharing is what will empower their future marketing evolution and consequently competitive advantage. Company A and Company B exhibit an open mindedness to new information that arises externally and to the constantly changing external environment by removing conventional barriers, aligning their internal structure, and communication flow, and creating a culture of willingness to learn, experiment and adapt. They have a guiding goal and operational effectiveness, not so much a long-term focus on social media strategy. By meeting their (internal and external) audience’s expectations consistently over a long period of time, the digital forerunners built trust, loyal audience and teams.

11.2.2 Limitations of the Research

The researcher is aware of the limitation of the case studies research strategy, in terms of generalizability (Denzin, 1997). Despite these limitations, the research has uncovered several valuable theoretical and practical contributions.

Firstly, the participating SMEs are clustered in the South East of England in the United Kingdom, which could pose difficulties in terms of the geographical spread of locations from the South of England to North East England. They are all located therefore in the most prosperous regions of the UK.
Access to respondents also posed limitations. Access to this sample was restricted based on respondents’ availability; the voluntary nature of the participation in the research also demonstrated an interest in the research topic which could affect the representativeness of the sample. The availability of some of the OMs was restricted; as a result, not all key decision makers were involved in the research. Also, due to time constraints some of the interviews were joint interviews, while others were individual interviews. The in-depth interviews also pose a few limitations in terms of the ability of the respondents to recall their social media practices. The real experience might be different to the one they recall, which was identified through the data triangulation of one of the companies, Company C. However, Yin’s (1994) recommendation to draw upon a variety of sources was employed and helped address these limitations.

Despite the limitations, this thesis represents a considerable advancement in the unexplored area of the contribution made by social media market intelligence to marketing development.

### 11.3 Managerial Implications

The practical implications of this research highlight the importance of establishing processes to exploit social media as a source of market intelligence and knowledge, enabling learning and marketing evolution. The developed MIATSM model proved a valuable tool for uncovering the various processes and organisational factors contributing to SME marketing evolution through social media intelligence accumulation and application. The MIATSM model makes its contribution to practice and method by enabling SMEs to put in place processes and capabilities to improve how businesses and marketing in general operate. Therefore, it increases the opportunities for SMEs to know how to react to externally and internally arising market intelligence by reducing risk, uncertainty and difficulty of implementing change in marketing practices.

This research suggests that operating and dynamic capabilities have complementary roles in facilitating marketing evolution. The absorptive capacity developed through the use of the market intelligence accumulation is crucial at both operating and dynamic level. This highlights a need to build and leverage these different capabilities and perform them simultaneously (ambidexterity) in creative ways through daily social media use to identify market intelligence and pursue new opportunities. SME managers have to be entrepreneurial and proactive in how they develop and exploit these capabilities, and
achieve the right balance between them and the routine organisational activities. Key to these processes is the building of absorptive capacity and sustaining the balance between new and existent organisational knowledge and resources.

It is recommended that SME OMs should approach social media with an open mind and in a way, that generates information advantages to the firm. SME managers need to clearly recognize social media as a knowledge source and their ability to adapt to external environmental changes as a crucial driver of their firm’s evolution. Marketing evolution also occurs through perception of entrepreneurial opportunities that may or may not be accompanied by any external shocks; it might come solely internally, so there should be opportunities for storing, sharing and collaborating both face-to-face and through social media.

The processes of converting social media market intelligence to insight, leading to sustainable competitive advantage are complex. Therefore, based on the MIATSM model a suitable practitioner-friendly checklist to complement the model and facilitate its application in practice will be developed. This checklist will assist practitioners in applying the MIATSM model as a self-diagnostic tool to help them assess and evolve in their marketing practices by combining the developed social media market intelligence with process-improvement capabilities in an integrated way. The checklist will be structured following the MIATSM model components and will include questions developed on a base of the interview guide to direct practitioners. Through the MIATSM model and the complementing checklist, SME OMs would be able to focus on putting in place the set of organisational conditions/context and processes, needed to underpin the development of the marketing operating capabilities that drive change, and to select a path that suits their unique marketing and organisational situation. Given the fast pace of change of digital and social media technologies, it is important to highlight to practitioners that they should not think about perfecting the implementation of the processes but should focus on developing processes that are highly iterative and adaptive. As highlighted by the research findings, the successful SMEs prioritise speed of execution and experimentation over long-term planning and perfection. That requires cross-organisational agility and preparedness to quickly learn, as well as willingness to take appropriate risks.

Firms that have failed to benefit from the use of social media as a knowledge source for marketing development are also encouraged to use the proposed MIATSM model and the checklist to identify weak areas, associated with their social media use for development of
marketing activities. The MIATSM model proved suitable to enlighten such digital laggards’ practices and impeding factors, following the model constructs.

Firstly, a firm should identify a specific process associated with the issue, for example: What is the organisational history dependency/prior history, long-term purpose, culture, leadership?; Does the firm fail to recognise social media as a source of market intelligence and idea generation for marketing development?; Or does the firm fail to transfer to relevant organisational actors, assimilate and make sense of the accumulated market intelligence to enhance their marketing decision making and activities? Then, the firm should carefully assess which of the proposed impeding factors are inhibiting the particular absorptive capacity process development. OMs should recognize their key role in facilitating flourishing organisational culture and climate of sharing, open-mindedness, motivation and interest. As highlighted through the research findings, critical to success is leading the change from the top through developing incentives and integrating and shifting the culture towards preparedness to change/remove/question outdated processes across organisational boundaries and teams.

The SME leadership should create more fluid structures and allow flexibility in response to changing customer needs, such as Company A brought together key account personnel and creative team members to sit in with the marketing team and have daily conversations to identify and resolve issues.

Another important reason for building more flexible structure and systems for information accumulation and internal assimilation is that it enables businesses to collaborate with external partners and source expertise and resources to compete effectively. SME OMs should develop and employ processes (recognition, acquisition, assimilation, sense-making, exploitation) which allow differentiation and evolution of marketing programmes leading to competitive advantage.

Lastly, the OMs should be able to embed performance management from the top and translate higher order organisational goals and priorities into specific tasks and metrics. They need to make explicit to employees at all organisational levels, the skills and processes needed to be successful, put clear criteria in place and promote the sharing of best practices.

As uncovered by the digital forerunners practices, performance management is becoming much more real-time, with metrics and goals used daily and weekly to guide marketing
decision making and practices development. These metrics are supported by incentives that reinforce behaviours to support customers regardless of organisational boundaries and the employee job role.

11.4 Implications for Future Research

This dissertation has examined the processes and experiences of five case companies in relation to their marketing development through the use of market intelligence. The findings offer numerous implications both for academia and for practice. Further research is required which builds upon the findings of this research to apply the MIATSM model and study the implications of the accumulated market intelligence in other organisational areas, industries and also in larger companies. More research is needed in the interaction of operating capability of social media use and dynamic capability of marketing planning and adaptation.

Future research might engage in a longitudinal study to track over time the interactions of the absorptive capacity processes at operating and dynamic capability level over multiple marketing programmes adaptation/evolution. It would also be interesting to examine which operating capabilities of social media use most affect the processes of reconfiguring and building new operating capability.

It would be interesting to examine whether routinisation of the interaction of dynamic capability of marketing planning and adaptation and operating capability of social media use is going to constrain marketing evolution and become a barrier to marketing adaptation at a certain point.

The relationship between MO, EO and LO effects on learning from social media needs to be further researched and might be integrated/connected to the MIATSM model.

Furthermore, research is needed to examine in more depth the role of the leadership and the other organisational actors in the operating level of absorptive and dynamic level processes of social media use from a behavioural perspective. There is a need for further research with bigger samples to explore the experiences of more companies.

Further research is also needed to test the MIATSM model developed in this study among different industry sectors. The relationship between MIATSM model factors (contributing/impeding conditions) could be measured through a large-scale survey to
generalise the findings. A larger-scale research project would benefit generalisation of findings.

It is believed that the MIATSM model could also be useful to larger companies, as claimed by Day (2000, p.1034):

“Indeed, practitioners and academics involved in entrepreneurship believe that there is something to be learnt from the truly entrepreneurial small firm … a behavioural difference that is both worth capturing and capable of exploitation…”

It is suggested that the MIATSM model could provide valuable insight to larger businesses as well, as they are often limited to transform activities and evolve due to their hierarchical organisational structure, bureaucracy and rigid routines (Argyris, 1986). As suggested by Day (2000), “Larger companies could benefit from future research on how entrepreneurship informs marketing”. Therefore, future research might engage in a longitudinal study that investigates the learning processes taking place at dynamic and operating capabilities over time and the resulting marketing alterations in larger companies.
12 References


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955.


http://doi.org/10.1016/j.chb.2014.11.084


13 Appendices

Appendix A: Literature Search Strategy

In total, 1319 articles have been reviewed, stored and grouped under various categories using Mendeley. Mendeley has been used to sort out, keep and facilitate referencing, and to keep on top of the literature. Five meetings with the faculty librarian, Sue Stevenson, for updates on the latest search techniques and the newest sources of information available have been organised over four years.

Databases such as Business source complete, Emerald, Ebsco, WARC have been checked regularly through the period of the PhD project, September 2012-September 2016. Zetoc and Ebsco alerts have been set up for notifications receipt of publications of interest, from top rated journals in the field of Marketing, Digital technologies, Dynamic Capabilities and SMEs. Additionally, the top journals in the field have been checked for the period of 2010-2016.

Top Journals Relevant to the Research:

1. Entrepreneurship Theory and Practice – 4 – checked 2012-2014 (the first 3 issues); 2015-2016, issue 4
2. Journal of Marketing – 4 – checked 2012-2014 1, 2 issues; 2015-2016, issue 4
3. Journal of Marketing Research – 4 – checked 2011-2014 1, 2 issues; 2015-2016, up to issue 4
10. Small Business Economics – 3*; 2013-2016, issue 2
11. Entrepreneurship and Regional Development – 3*; 2014-2016, up to issue 5/6
Google Scholar has also been searched regularly for new publications. Many articles have been obtained through the inter-library loan services of University of Portsmouth library. Additionally, the author kept a record on the literature search: every hard copy and electronic database searched, the times they were searched and the key words/vocabulary used for the search.

Key Words Searched

SME and Digital Technologies

SMEs and Social Media

Social Media and DCs

Social Media and SMEs and DCs

Marketing, DCs and Dynamic Capabilities

Organisational Learning and Social Media

Absorptive Capacity and Social Media

Absorptive Capacity, Social Media and SMEs

Dynamic Capability, Social Media and SMEs

SME or SMEs or Small Businesses and Social Media and Dynamic capability*

Social Media Market Intelligence

Last literature search performed 1st September 2016
## Appendix B: Studies on Social Media

### Table 22 Review of Studies on Social Media

<table>
<thead>
<tr>
<th>TITLE</th>
<th>RESEARCH AIM</th>
<th>RESEARCH METHODOLOGY</th>
<th>TYPE OF DATA</th>
<th>SAMPLE</th>
<th>THEORIES APPLIED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harris, Rae, &amp; Minner (2012)</td>
<td>Investigate the networking process in more detail and establish the balance between on-line and off-line networking across a broad spectrum of business networks (GitHub, Amaizn).</td>
<td>Online questionnaires</td>
<td>Quantitative</td>
<td>645 SMEs, from members of two networking organizations - BNI which focuses on weekly face-to-face meetings, and Ecademy which is a hybrid online/offline business network</td>
<td>Granovetter's (1973) weak ties</td>
</tr>
<tr>
<td>Harris &amp; Rae (2009)</td>
<td>The use of new technologies by small businesses</td>
<td>Mixed approach</td>
<td>Telephone survey and in-depth interviews</td>
<td>Ecademy: 205 micro businesses, 140 companies employing between 10 &amp; 49 employees and 33 companies between 50 and 249</td>
<td>Granovetter’s (1973) weak ties</td>
</tr>
<tr>
<td>Barnes (2012)</td>
<td>How SMEs collaborate through Social Media and different types of collaboration; how the use of Web 2.0 influences the nature of this type of network</td>
<td>Explorative case studies</td>
<td>Qualitative</td>
<td>12 owner managers of companies that extensively use social media to collaborate; All are business service providers, including various forms of management consultancy, online recruitment, media production, corporate events, business networking and a charity supporting community-based projects</td>
<td>Elaborate on Hirschhorn’s (2010) on benefits available from Web 2.0: (1) operational efficiency: Web 2.0 offers a lower operating cost and improves product collectively. (2) Enhanced capabilities: existing ways of working through its connect with sources of knowledge at outside of traditional organizational b effective external communications. M through its ability to improve comm. existing and potential, enabling their understand and with supplier, collaborate those requirements to better address offering</td>
</tr>
<tr>
<td>Title</td>
<td>Research Aim</td>
<td>Research Methodology</td>
<td>Type of Data</td>
<td>Sample</td>
<td>Theories of</td>
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<tr>
<td>Sipiläinen, Vanhaverbeke, &amp; Roijakkers (2012)</td>
<td>Do SMEs benefit more or in a different way from OI practices compared to large firms</td>
<td>Qualitative</td>
<td>10 or more employs</td>
<td>01</td>
<td></td>
</tr>
<tr>
<td>Panahi, Watson, &amp; Partridge (2012)</td>
<td>Literature review on how and what might be the contributions of social media in facilitating tacit knowledge sharing</td>
<td>Lit rev</td>
<td></td>
<td>KM, Tacit Knowledge, Web 2.0</td>
<td></td>
</tr>
<tr>
<td>Razмерета &amp; Kirchner (2011)</td>
<td>Understanding how Web 2.0 tools are introduced and used for managing knowledge work in an organizational setting and what are the influencing factors for adoption, what incentives have been used to foster collaboration</td>
<td>Lit rev + case study</td>
<td></td>
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<tr>
<td>Nakara et al. (2012)</td>
<td>Do and how SMEs use social media in their marketing practices. What is the impact of social media on SME marketing strategies?</td>
<td>Mixed approach (interviews + online surveys + ethnographic study with longitudinal observation on social media sites)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Harrigan, Ramsey, &amp; Ibbotson (2012)</td>
<td>Investigating e-CRM in SMEs, the nature of traditional CRM in SMEs, and the benefits and challenges of e-CRM in SMEs</td>
<td>Mixed approach</td>
<td></td>
<td></td>
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<tr>
<td>Harrigan, 2012</td>
<td>The capabilities of e-CRM: customer communication and customer information management</td>
<td>Mixed: 1 quantitative survey, questionnaire (macro-level), 2 in-depth interviews, 1 projective techniques (nano-level)</td>
<td></td>
<td>1415 SMEs</td>
<td>Capabilities</td>
</tr>
<tr>
<td>Harrigan, 2013</td>
<td>Social media practices of SMEs</td>
<td>Survey</td>
<td>Quantitative</td>
<td>159 SMEs</td>
<td></td>
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<tr>
<td>TITLE</td>
<td>RESEARCH AIM</td>
<td>RESEARCH METHODOLOGY</td>
<td>TYPE OF DATA</td>
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<td>THEORIES AND APPROACHES</td>
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<tr>
<td>Jayachandran, Sharma, Kaufman, &amp; Ramam (2003)</td>
<td>Conceptualizes and measures relational information processes, or organizational routines that are critical for customer relationship management; Examines the key drivers and outcome of relational information processes and the role of technology in implementing CRM.</td>
<td>Mail survey</td>
<td>Quantitative</td>
<td>563 contacts;</td>
<td>Follow the tradition of market infusion (Varadarajan 1992; Moorman 1995), the institutional theory (Kohli and Jaworski 1990; Narver and Slater’s 1995) that has long emphasized the importance of organizational information processes in acquisition, dissemination, use, and adaptation to their market environment;</td>
</tr>
<tr>
<td>Hamborg (2012)</td>
<td>Conclusions from the projects ARIEL and SIMPEL referring learning aspects within SMEs: The approach of Community of Practice (CoP) particularly supported by Web services and social media as a suitable environment for informal and e-learning as well for cooperation and communication; Gives example of the on-going CoP developed within Netknowing 2.0</td>
<td></td>
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<tr>
<td>Trainer (2012)</td>
<td>Presents a conceptual framework that extends a traditional view of CRM by incorporating social media technologies, and it suggests how these technologies can lead to greater firm performance:</td>
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<tr>
<td>Trainer (2013)</td>
<td>Examines how social media technology usage and customer-centric management systems contribute to a firm-level capability of social customer relationship management (CRM); examination of how social CRM capability is influenced by both customer-centric management systems and social media technologies</td>
<td>Survey</td>
<td>Quantitative</td>
<td>Random sample of 1200 firms across a broad spectrum of industries located in the United States. Survey of 308 companies</td>
<td>RBV, capability-based theory</td>
</tr>
<tr>
<td>TITLE</td>
<td>RESEARCH AIM</td>
<td>RESEARCH METHODOLOGY</td>
<td>TYPE OF DATA</td>
<td>SAMPLE</td>
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<tr>
<td>Zeiller (2011)</td>
<td>Application of social media in SMEs, we analyze the adoption and implementation, the motivation of team members and their benefit, and success factors of the utilization of social media for team collaboration.</td>
<td>Case studies</td>
<td>Qualitative</td>
<td>6 case studies</td>
<td></td>
</tr>
<tr>
<td>Meske &amp; Stiglitz (2013)</td>
<td>1) to investigate the adoption, management, goals and added values of internal social media platforms in SMEs, as well as 2) to explore factors that may prevent a wider adoption of social media in SMEs.</td>
<td>Survey</td>
<td>Quantitative</td>
<td>190 responses</td>
<td></td>
</tr>
<tr>
<td>Harrigan &amp; Miles (2014)</td>
<td>Measuring e-CRM in SMEs</td>
<td>Survey</td>
<td>Quantitative</td>
<td>156 responses</td>
<td>DC</td>
</tr>
<tr>
<td>Bekhamedova &amp; Shukalo (2014)</td>
<td>Understanding the motivations that explain why organizations use SMA; and understanding how the use of SMA leads to organizational value</td>
<td>case study</td>
<td>Qualitative</td>
<td>single case study (Boricko, major financial institution)</td>
<td>RBV and the concept of awareness in Watson (2011)</td>
</tr>
<tr>
<td>Chaudhury &amp; Harrigan (2014)</td>
<td>Focuses on social CRM and builds on a previous CRM model proposed by Jayachandran et al. (2005), adopting the resource-based view theory and the equity theory. This paper presents a new model for social CRM, including a new construct of customer engagement initiatives and adaptations of other constructs, to take cognisance of the impact of social media technologies on CRM</td>
<td>Survey</td>
<td>Quantitative</td>
<td>Marketing practitioners on the list obtained from CorpData, 1000 were chosen randomly; 167 usable responses</td>
<td>RBV, equity theory</td>
</tr>
<tr>
<td>TITLE</td>
<td>RESEARCH AIM</td>
<td>RESEARCH METHODOLOGY</td>
<td>TYPE OF DATA</td>
<td>SAMPLE</td>
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<tr>
<td>Durkin, McGowan, &amp; Murray (2014)</td>
<td>Explores the small business-bank relationship and examines the extent to which social media may facilitate more effective communication in that relationship</td>
<td>16 in-depth interviews (18 with SME owners &amp; 6 with senior bank executives)</td>
<td>qualitative</td>
<td>The SME sample was made up of 10 small businesses</td>
<td>develop contextual model of context, for effective social media use;</td>
</tr>
<tr>
<td>Habibi, La Roche, &amp; Richard (2014)</td>
<td>Brand communities based in social media: How unique are they? Evidence from two exemplary brand communities</td>
<td>Facebook. Exploratory research. Analysis of the customer comments from Jeep and Harley Davidson sites on Facebook</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yu et al. (2013)</td>
<td>The impact of social and conventional media on firm equity value. A sentiment analysis approach. Social media contents have a stronger effect on firm stock performance than conventional media Social and conventional media have a strong interaction effect on stocks market performance</td>
<td>Trainer</td>
<td>Quantitative</td>
<td>124 publicly traded firms across six industries</td>
<td></td>
</tr>
<tr>
<td>Wagner and Wagner (2013)</td>
<td>Online communities and dynamic capabilities: A cross-case examination of sensing, seizing, and reconfiguration. Examining whether online communities enable the development of dynamic capabilities</td>
<td>Exploratory research</td>
<td>qualitative</td>
<td>Study of eight cases Twitter,</td>
<td>DC</td>
</tr>
<tr>
<td>Bharati, Zhang, &amp; Chaudhury (2014)</td>
<td>Do institutional pressures impact the absorptive capacity of firms and assimilation of social media technologies, and is this assimilation mediated by absorptive capacity</td>
<td>survey</td>
<td>Quantitative</td>
<td>owner-managers based across Northern Ireland and was identified across a range of industrial sectors and sourced through a regionally based Centre for Small Business Development</td>
<td>Institutional Theory &amp; Absorptive ca</td>
</tr>
<tr>
<td>Chaudhury (2015)</td>
<td>The impact of social media on organisational knowledge quality through the theoretical lens of social capital and resource exchange</td>
<td>web-based survey</td>
<td>Quantitative</td>
<td>283</td>
<td>Organizations</td>
</tr>
</tbody>
</table>
# Appendix C: Definitions of Dynamic Capability

## Table 23 Definitions of Dynamic Capability

<table>
<thead>
<tr>
<th>Author &amp; Year</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collis (1994, p. 145)</td>
<td>company’s ability “...to recognise the intrinsic value of other resources or to develop novel strategies before competitors”</td>
</tr>
<tr>
<td>Pisano (1994, p. 537)</td>
<td>“the competitive advantage of firms stems from dynamic capabilities rooted in high performance routines operating inside the firm, embedded in the firm’s processes, and conditioned by its history.”</td>
</tr>
<tr>
<td>Helfat (1997)</td>
<td>The competences that allow the firm to create new products and processes in order to respond to market change.</td>
</tr>
<tr>
<td>Eisenhardt &amp; Martin (2000, p. 1107)</td>
<td>“the firm’s processes that use resources – specifically the processes to integrate, reconfigure, gain and release resources – to match and even create market change” and “the organizational and strategic routines by which firms achieve new resources and configurations as markets emerge, collide, split, evolve, and die”.</td>
</tr>
<tr>
<td>Zollo &amp; Winter (2002)</td>
<td>dynamic capability is a collective activity that enables the generation and modification of company’s operating routines and therefore leads to improved effectiveness</td>
</tr>
<tr>
<td>Winter (2003)</td>
<td>defines the DC as extending, modifying and creating substantive (ordinary) capabilities</td>
</tr>
<tr>
<td>Wang &amp; Ahmed (2007, p. 35)</td>
<td>“…a firm’s behavioural orientation constantly to integrate, reconfigure, renew and recreate its resources and capabilities and, most importantly, upgrade and reconstruct its core capabilities in response to the changing environment to attain and sustain competitive advantage”.</td>
</tr>
<tr>
<td>Teece (2007)</td>
<td>The DC are difficult to replicate combinations of resources, capabilities and processes that enable companies to adapt to changes in their exogenous environments and to technological opportunities. As a result, these capabilities empower companies to shape their ecosystem by developing new processes and business models</td>
</tr>
</tbody>
</table>
## Appendix D: Studies that Adopted the DCs Concept and their Aims

### Table 24 Studies Adopting the DCs Theoretical Lens

<table>
<thead>
<tr>
<th>TITLE</th>
<th>RESEARCH AIM</th>
<th>THEORIES APPLIED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newey &amp; Zahra (2009)</td>
<td>Understand the processes used by actors in the development of a new anti-influenza drug</td>
<td>DC, Entrepreneurship</td>
</tr>
<tr>
<td>Lawson &amp; Samson (2001)</td>
<td>Show that successful innovation contains core elements and processes, regardless of the industry or firm</td>
<td>DC</td>
</tr>
<tr>
<td>McKelvie &amp; Davidsson (2009)</td>
<td>Understand and measure to what extent do access to and changes in resources influence the development of dynamic capabilities in new firms</td>
<td>RBV, DC</td>
</tr>
<tr>
<td>Ayuso, Rodríguez, &amp; Ricart (2006)</td>
<td>The purpose of this research is to gain a deeper understanding of the firm’s ability to integrate stakeholder insights into the process of organizational innovation from a sustainable development viewpoint</td>
<td>DC</td>
</tr>
<tr>
<td>Boccadelli &amp; Magnusson (2006)</td>
<td>Study the process of strategic matching of resources and market needs, particularly in rapidly changing environments</td>
<td>DC, Entrepreneurship</td>
</tr>
<tr>
<td>Borch (2007)</td>
<td>Investigate dynamic capabilities that are critical for the SMEs innovation strategies and entrepreneurial position: internal and external reconfiguration and integration capabilities, resource acquisition capability, learning network capabilities and strategic path aligning capabilities</td>
<td>DC</td>
</tr>
<tr>
<td>Sher, Lee (2004)</td>
<td>Investigate does knowledge management contribute to the enhancement of dynamic capabilities and thus to the enhancement of business excellence and competitive advantage?</td>
<td>DC, Knowledge Management</td>
</tr>
<tr>
<td>Tesch, Tung, Pan (2008)</td>
<td>Identify the key specific capabilities and their evolution in the context of the ACCPAC upgrade with respect to the Enterprise System Experience Cycle.</td>
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<tr>
<td>Muscio (2007)</td>
<td>The determinants and their intensity of firm collaboration with other firms, universities and TT centres</td>
<td>Absorptive capacity</td>
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<tr>
<td>Cepeda &amp; Vera (2007)</td>
<td>Knowledge management perspective to capture KM processes behind the development and utilization of dynamic capabilities and to examine their impact on operational capabilities</td>
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<tr>
<td>Lee &amp; Slater (2007)</td>
<td>Aim at identifying and examine the entrepreneurial aspects which have driven the dynamic capabilities leading to the unique organizational capabilities that made it possible to develop and sustain the most advanced cutting-edge semiconductor technology</td>
<td>RBV, DC, entrepreneurship</td>
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</tr>
<tr>
<td>Wade &amp; Huland (2004)</td>
<td>The purpose of this paper is to review the use of the resource-based firm (RBV) by IS researchers.</td>
<td></td>
</tr>
<tr>
<td>Raymond &amp; Bergeron (2008)</td>
<td>Aim at a deeper understanding of the alignment between e-business and business strategy in terms of Miles and Snow’s (1978) recognised strategic typology; Can SMEs enhance their performance by aligning their e-business activities with their business strategy?</td>
<td>Contingency theory; DC</td>
</tr>
<tr>
<td>Raju, Lonial, &amp; Crum (2011)</td>
<td>Literature review and conceptual framework development of market orientation in SMEs context</td>
<td></td>
</tr>
<tr>
<td>O’Reilly &amp; Tushman (2008)</td>
<td>Ambidexterity as a dynamic capability: ambidexterity, senior teams, and dynamic capabilities.</td>
<td>Ambidexterity as a DC;</td>
</tr>
<tr>
<td>Chang &amp; Hughes (2012)</td>
<td>How the role of structural, contextual and leadership conditions shape balanced exploration and exploitation in SMEs</td>
<td>Ambidexterity</td>
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<tr>
<td>Lichtenthaler (2009)</td>
<td>Examines process stages associated with the learning process and their influence on innovation and performance under different environmental conditions</td>
<td>Absorptive capacity</td>
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<tr>
<td>Branzell &amp; Vertinsky (2006)</td>
<td>which strategic actions enable different types of dynamic capabilities and to what extent do specific strategic choices motivate distinct capability-development trajectories</td>
<td>DC</td>
</tr>
<tr>
<td>Cohen &amp; Levinthal (1990)</td>
<td>Claim that the ability of a firm to recognize the value of new, external information, assimilate it, and apply it to commercial ends is critical to its innovative capabilities; absorptive capacity</td>
<td>Absorptive capacity and organisational learning as innovative capability</td>
</tr>
<tr>
<td>Chang, Hughes, &amp; Hooho (2011)</td>
<td>Examine internal and external antecedents of SME balance dimension of innovation and ambidexterity outcomes</td>
<td>Ambidexterity</td>
</tr>
<tr>
<td>Borch &amp; Madsen (2007)</td>
<td>Develop measures representing DC of the firm;</td>
<td>DC</td>
</tr>
<tr>
<td>Cao, Gedajlovic, &amp; Zhang (2009)</td>
<td>Balanced and combined dimension of ambidexterity; conceptual ambiguity of ambidexterity; ambidexterity in terms organisational innovation;</td>
<td>Ambidexterity</td>
</tr>
<tr>
<td>Jansen (2006)</td>
<td>How organisations coordinate the development of exploratory and exploitative innovation in organisational units and successfully respond to multiple environmental conditions;</td>
<td>Ambidexterity; exploitative and exploitative innovation;</td>
</tr>
<tr>
<td>Lubatkin (2006)</td>
<td>Focus on the pivotal role of top management team (TMT) behavioral integration in facilitating the ambidexterity in SMEs</td>
<td>Ambidexterity; behavioural theory</td>
</tr>
<tr>
<td>Azamah, Koh, &amp; Maguire (2005)</td>
<td>Examine the drivers that led SMEs to adopt the new Internet technologies and what strategy formulation processes SMEs took to enable realisation of their e-organisational goals</td>
<td></td>
</tr>
<tr>
<td>TITLE</td>
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</tr>
<tr>
<td>Blum, Lindermann, Fäcks, &amp; Nüttgens (2009)</td>
<td>Recommendations for the application of Web 2.0 artifacts in SME-networks by suggesting a conceptual base following the design science approach</td>
<td></td>
</tr>
<tr>
<td>Matlay (2005)</td>
<td>Identifies and considers the stages and processes specific to Virtual Teams; The advantages and disadvantages of Virtual Teams of e-Entrepreneurs are additionally documented and discussed</td>
<td></td>
</tr>
<tr>
<td>Anderson &amp; Eshima (2013)</td>
<td>Investigates two potential moderators of the relationship between EO and firm growth - firm age, and intangible resource advantage</td>
<td>RBV</td>
</tr>
<tr>
<td>Yli-Renko, Autio, &amp; Sapienza (2001)</td>
<td>Exploring how young technology-based firms can leverage interorganizational relationships to acquire external knowledge and exploit it; focus is not on the knowledge exploitation process but rather on its results; on how social capital in a young firm’s relationship with its key customer affects the firm’s ability to acquire new knowledge, and exploit it for product development, technological distinctiveness, and reduced sales costs;</td>
<td>Knowledge-based view of the firm</td>
</tr>
<tr>
<td>Ifinedo (2011)</td>
<td>Investigates factors impacting the adoption of Internet and e-business technologies in SMEs</td>
<td>Diffusion of innovation (DIT) and Technology-Organization-Environment (TOE) frameworks</td>
</tr>
<tr>
<td>Wiklund &amp; Shepherd (2003)</td>
<td>Does a bundle of knowledge-based resources applicable to the discovery and exploitation of opportunities improve firm performance? Does a firm’s EO enhance the positive performance benefits of knowledge-based resources?</td>
<td>RBV, Knowledge-based view</td>
</tr>
<tr>
<td>Liao, Welsch, &amp; Stoica (2003)</td>
<td>Study the effect of absorptive capacity on organizational responsiveness, and the moderating effects of environmental turbulence and strategic orientation; SMEs</td>
<td>Absorptive capacity</td>
</tr>
<tr>
<td>Sinkula (1994)</td>
<td>Literature review on how organisations process market information; Develops hierarchy of Market knowledge; Establish the the importance of organisational interpretation</td>
<td></td>
</tr>
<tr>
<td>Hult, Ketchen, &amp; Slater (2005)</td>
<td>Test a model that includes both cultural and information-processing elements of MO in investigating its influence on performance; MO in combination with other important performance antecedents;</td>
<td>RBV overarching MO-performance</td>
</tr>
<tr>
<td>TITLE</td>
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<tr>
<td>Olavarrieta &amp; Friedmann (2008)</td>
<td>Their model indicates a significant effect of market orientation on firm performance, which is mediated by the role of knowledge-related resources; This study highlights the importance of a market-oriented culture and the possession of market-sensing skills to develop and foster innovativeness and imitation capabilities in an organization. These resources might very well be keys for the survival and success of the firm.</td>
<td>RBV, Knowledge-based view, MO</td>
</tr>
<tr>
<td>Dutta, Narasimhan, &amp; Rajiv (2005)</td>
<td>Conceptualizing and measuring capabilities; expand on extant theoretical literature on relative capabilities, by detailing the conditions that have to be met for relative capabilities to be measured; Proceed to suggest an estimation methodology, stochastic frontier estimation (SFE), to infer firm capabilities. Lastly, illustrate the technique with a sample of firms.</td>
<td>RBV</td>
</tr>
<tr>
<td>Cegarra-Navarro &amp; Dewhurst (2007)</td>
<td>Study the relationship between and significance of two key factors of organization learning (exploration and exploitation of knowledge) and two possible control factors (company size and sector) on the ambidexterity context, and their effects on the creation of customer capital.</td>
<td>Ambidexterity</td>
</tr>
<tr>
<td>Adner &amp; Helfat (2003)</td>
<td>Study the time-varying corporate effects, associated with corporate level managerial decisions heterogeneity in the same environmental conditions; Propose that dynamic managerial capabilities are rooted in three underlying factors: managerial human capital; managerial social capital, and managerial cognition</td>
<td>Dynamic Managerial Capabilities</td>
</tr>
<tr>
<td>Capron &amp; Mitchel (2008)</td>
<td>How organisational selection capability: both external and internal mode of expansion and capability development is constrained from firms' existing stocks of capabilities and from their internal social contexts.</td>
<td>DC</td>
</tr>
<tr>
<td>Deakins &amp; Freel (1998)</td>
<td>Examine the process of entrepreneurship and entrepreneurial learning in SMEs.</td>
<td>Argue that organisational learning theories have been developed for large firms rather than SMEs. Therefore, more appropriate are theories that account for uncertainty and dynamics in decision making, such as Schumpeterian dynamic approaches to learning and development.</td>
</tr>
<tr>
<td>Uhlman, Stel, Duplat, &amp; Zhou (2012)</td>
<td>Test whether two organizational capabilities (external sourcing and employee involvement in renewal activities) predict sales growth, and if so, whether such effects are mediated by process and/or product innovation</td>
<td>DC</td>
</tr>
<tr>
<td>Zollo, Maurizio, Winter (2002)</td>
<td>Propose structure for the formation and development of DC through the mechanisms of experience accumulation, knowledge articulation; knowledge codification</td>
<td></td>
</tr>
<tr>
<td>(Mayer &amp; Kenney, 2004)</td>
<td>Examine the organizational and processual aspects of the acquisition process.</td>
<td>DC</td>
</tr>
<tr>
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<tr>
<td>Trainor (2013)</td>
<td>Examines how social media technology usage and customer-centric management systems contribute to a firm-level capability of social customer relationship management (CRM); examination of how social CRM capability is influenced by both customer-centric management systems and social media technologies</td>
<td>RBV, capability based theory</td>
</tr>
<tr>
<td>Verona &amp; Ravasi (2003)</td>
<td>To improve understanding of DC behind successful product innovation</td>
<td>DC</td>
</tr>
<tr>
<td>Merrilees, Rundle-Thiele, &amp; Lye (2011)</td>
<td>Assesses the contribution of higher-level marketing capabilities to performance</td>
<td>RBV</td>
</tr>
<tr>
<td>Sok, O’Cass, &amp; Sok (2013)</td>
<td>Examines the individual effect of innovation, marketing and learning capabilities as well as their complementary effect on the performance of SMEs.</td>
<td>RBV</td>
</tr>
<tr>
<td>Harrigan &amp; Miles (2014)</td>
<td>measuring s-CRM in SMEs</td>
<td>DC</td>
</tr>
<tr>
<td>Lanza &amp; Passarelli (2014)</td>
<td>investigate technology innovation processes at one company</td>
<td>DC</td>
</tr>
<tr>
<td>Kim, Akbar, Tsokas, &amp; Al-Dajani (2013)</td>
<td>the role that systems thinking plays in contemporary SMEs working in technologically-intensive industries.</td>
<td>Systems thinking and ACAP</td>
</tr>
<tr>
<td>Trainor et al (2014)</td>
<td>Investigate how social media technologies create value and positively influence customer relationship performance</td>
<td>RBV, DC</td>
</tr>
<tr>
<td>Choudhury &amp; Harrigan (2014)</td>
<td>Focuses on social CRM and builds on a previous CRM model proposed by Jayachandran et al. (2005), adopting the resource-based view theory and the equity theory. This paper presents a new model for social CRM, including a new construct of customer engagement initiatives and adaptations of other constructs, to take cognisance of the impact of social media technologies on CRM</td>
<td>RBV, equity theory</td>
</tr>
</tbody>
</table>

* Dynamic Capability Concept - DC  
* Resource- Based View - RBV  
* Organisational Learning - OL  
* Entrepreneurial Orientation - EO  
* Market Orientation  
* Investment Development Path - IDP
Appendix E: A Diamond Model for Case Analysis

Figure 33 A diamond model for case analysis (Adapted from Van de Ven, 2007, p. 10)
Appendix F: How the DCs are Applied to Date

Table 25 How the DCs are Applied in Studies to Date
<table>
<thead>
<tr>
<th>TITLE</th>
<th>RESEARCH AIM</th>
<th>RESEARCH METHODOLOGY</th>
<th>TYPE OF DATA</th>
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<tr>
<td>Newey &amp; Zahn (2009)</td>
<td>Understand the processes used by actors in the development of a new anti-influenza drug</td>
<td>Single comparative longitudinal case study</td>
<td>Qualitative; data from multiple sources over 18 months period</td>
<td>Purposeful comparative sample; 40 interviews with 12 key informants, taped and transcribed</td>
</tr>
<tr>
<td>Lawson &amp; Sunmon (2001)</td>
<td>Show that successful innovation contains core elements and processes, regardless of the industry or firm</td>
<td>Single case study and literature review</td>
<td>Qualitative</td>
<td>Purposeful</td>
</tr>
<tr>
<td>McKelvie &amp; Davidson (2009)</td>
<td>Understand and measure to what extent do access to and changes in resources influence the development of dynamic capabilities in new firms</td>
<td>Mail survey</td>
<td>Quantitative</td>
<td>Random sampling. The sampling frame was stratified by industrial sector and size strata, small (10–49 employees) and medium-sized (50–249 employees) firms; A total panel of 2,455 firms underwent two waves of phone plus mail questionnaire interviewing conducted three years apart: 1997 and 2000. Complete data, obtained for 803 firms.</td>
</tr>
<tr>
<td>Ayuso, Rodríguez, &amp; Ricart (2006)</td>
<td>The purpose of this research is to gain a deeper understanding of the firm’s ability to integrate stakeholder insights into the process of organizational innovation from a sustainable development viewpoint</td>
<td>Exploratory case study research strategy</td>
<td>Qualitative methods</td>
<td>2 Spanish companies</td>
</tr>
<tr>
<td>Boccadelli &amp; Magnusson (2006)</td>
<td>Study the process of strategic matching of resources and market needs, particularly in rapidly changing environments</td>
<td>Case study</td>
<td>Qualitative methods</td>
<td>59 firms were randomly sampled from a subset of 117 firms derived from a database covering a total of 169 unlisted Nordic mobile Internet companies, which were all identified in a mapping of the industry in the beginning of 2000, using snowball sampling</td>
</tr>
<tr>
<td>Borch (2007)</td>
<td>Investigate dynamic capabilities that are critical for the SMEs innovation strategies and entrepreneurial position: internal and external reconfiguration and integration capabilities, resource acquisition capability, learning network capabilities and strategic path aligning capabilities</td>
<td>Questionnaires</td>
<td>Quantitative</td>
<td>224 small and medium-sized firms (up to 500 employees); 117 firms participating in a regional innovation programme was chosen</td>
</tr>
<tr>
<td>TITLE</td>
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<tr>
<td>Shor, Lee (2004)</td>
<td>Investigate does knowledge management contribute to the enhancement of dynamic capabilities and thus to the enhancement of business excellence and competitive advantage?</td>
<td>Survey questionnaire; structured mailing</td>
<td>Quantitative</td>
<td>Companies listed in the Top 1000 Companies in Taiwan; grouped by industry sectors; 1100 firms responded;</td>
</tr>
<tr>
<td>Teoh, Ting, Pan (2008)</td>
<td>Identify the key specific capabilities and their evolution in the context of the ACCPAC upgrade with respect to the Enterprise System Experience Cycle.</td>
<td>An interpretivist case study</td>
<td>Qualitative: One year long: a total of nine informants were interviewed, which includes one top management, one middle management, two IT consultants and five departments’ staff; triangulation: two direct observations, 27 email, along with about 30 MB softcopy documentation and archive records.</td>
<td>The best performing Singapore-based SME accounting firm</td>
</tr>
<tr>
<td>Muscio (2007)</td>
<td>The determinants and their intensity of firm collaboration with other firms, universities and IT centres</td>
<td>Survey questionnaire</td>
<td>Quantitative</td>
<td>276 manufacturing SMEs</td>
</tr>
<tr>
<td>Cepeda &amp; Vera (2007)</td>
<td>Knowledge management perspective to capture KM processes behind the development and utilization of dynamic capabilities and to examine their impact on operational capabilities</td>
<td>Survey research</td>
<td>Quantitative</td>
<td>Sample of 107 firms</td>
</tr>
<tr>
<td>Lee &amp; Slater (2007)</td>
<td>Aim at identifying and examine the entrepreneurial aspects which have driven the dynamic capabilities leading to the unique organizational capabilities that made it possible to develop and sustain the most advanced cutting-edge semiconductor technology.</td>
<td>Single case study</td>
<td>Qualitative</td>
<td>Single case study</td>
</tr>
<tr>
<td>Wade &amp; Halland (2004)</td>
<td>The purpose of this paper is to review the use of the resource-based firm (RBV) by IS researchers.</td>
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<td>TITLE</td>
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<tr>
<td>Singh, Gang, Deshmukh (2008)</td>
<td>Strategy development by SMEs - review of literature</td>
<td>Literature review of about 134 research papers</td>
<td></td>
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<tr>
<td>Raymond &amp; Bergeron (2008)</td>
<td>Aim at a deeper understanding of the alignment between e-business and business strategy in terms of Miles and Snow’s (1978) recognised strategic typology. Can SMEs enhance their performance by aligning their e-business activities with their business strategy?</td>
<td>Survey questionnaire</td>
<td>Quantitative</td>
<td>107 manufacturing SMEs</td>
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<tr>
<td>Raju, Lonial, &amp; Crum (2011)</td>
<td>Literature review and conceptual framework development of market orientation in SMEs context</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O’Reilly &amp; Tushman (2008)</td>
<td>Ambidexterity as a dynamic capability: ambidexterity, senior teams, and dynamic capabilities.</td>
<td>Literature review: provide several examples of dynamic capabilities and ambidexterity in action.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chang &amp; Hughes (2012)</td>
<td>How the role of structural, contextual and leadership conditions shape balanced dimensions of exploration and exploitation in SMEs</td>
<td>Questionnaire survey</td>
<td>Quantitative</td>
<td>1000 SMEs in Scotland; 243 responded</td>
</tr>
<tr>
<td>Lichtenhaker (2009)</td>
<td>Examines process stages associated with the learning process and their influence on innovation and performance under different environmental conditions</td>
<td>Questionnaires and semi-structured interviews</td>
<td>Mixed</td>
<td>175 medium-sized and large industrial firms; cross-industry</td>
</tr>
<tr>
<td>Brantei &amp; Vertinsky (2006)</td>
<td>Which strategic actions enable different types of dynamic capabilities and to what extent do specific strategic choices motivate distinct capability-development trajectories</td>
<td>Survey questionnaire</td>
<td>Quantitative</td>
<td>A subsample of 5944 enterprises, a total 5455 completed questionnaires</td>
</tr>
<tr>
<td>Cohen &amp; Levinthal (1990)</td>
<td>Claim that the ability of a firm to recognize the value of new, external information, assimilate it, and apply it to commercial ends is critical to its innovative capabilities; absorptive capacity</td>
<td>To test the predictions of their framework for R&amp;D activity, they used cross-sectional survey collected from R&amp;D lab managers by Levin et al. (1983, 1987), and the Federal Trade Commission's Line of Business Program data on business unit sales, transfers, and R&amp;D expenditures.</td>
<td>Quantitative</td>
<td>The sample consists of 1,719 business units representing 548 firms in 151 lines of business.</td>
</tr>
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<tr>
<td>Chang, Hughes, &amp; Hopton (2011)</td>
<td>Examine internal and external antecedents of SME balance dimension of innovation ambiguity constructs</td>
<td>Survey</td>
<td>Quantitative (questionnaires)</td>
<td>1000 randomly selected SMEs from the FAMI database; 253 responded</td>
</tr>
<tr>
<td>Borch &amp; Madsen (2007)</td>
<td>Develop measures representing DC of the firm</td>
<td>Questionnaire and telephone interviews</td>
<td>Mixed</td>
<td>SMEs with up to 500 employees; 563 companies from which 215 answered the questionnaire</td>
</tr>
<tr>
<td>Cao, Gedajlovic, &amp; Zhang (2009)</td>
<td>Balanced and combined dimension of ambidexterity, conceptual ambiguity of ambidexterity, ambidexterity in terms organisational innovation</td>
<td>Survey questionnaires</td>
<td>Quantitative</td>
<td>200 randomly selected firms from three hi-tech parks, 122 completed</td>
</tr>
<tr>
<td>Janacek (2006)</td>
<td>How organisations coordinate the development of exploratory and exploitative innovation in organisational units and successfully respond to multiple environmental conditions</td>
<td>Survey</td>
<td>Quantitative</td>
<td>Data, collected at two different points in time; in 2002 survey of GM of 769 units; 462 responded; 2nd phase: in 2003, a second survey was mailed to the same 462 units; 283 surveys were completed</td>
</tr>
<tr>
<td>Lahatkin (2006)</td>
<td>Focus on the pivotal role of top management team (TMT) behavioral integration in facilitating the ambidexterity in SMEs</td>
<td>Mail survey</td>
<td>Quantitative</td>
<td>795 small to medium-sized from the D&amp;B’s Million Dollar Database (i.e., employing 20 to 500 individuals) usable responses from 154 firm one year later follow up survey; 139 SMEs</td>
</tr>
<tr>
<td>Azumah, Koh, &amp; Maguire (2005)</td>
<td>Examine the drivers that led SMEs to adopt the new Internet technologies and what strategy formulation processes SMEs took to enable realisation of their e-organisational goals</td>
<td>Literature review and unstructured telephone interviews (open and closed questions)</td>
<td>Literature review and unstructured telephone interviews (open and closed questions)</td>
<td>Different industries: manufacturing, engineering, service, IT-oriented and other categories of companies; 56 organisations were originally contacted from the Chamber of Commerce database using a random selection of every tenth SME on the list by e-mail</td>
</tr>
<tr>
<td>Blinn, Lindermann, Ficks, &amp; Nättem (2009)</td>
<td>Recommendations for the application of Web 2.0 artifacts in SME-networks by suggesting a conceptual base following the design science approach</td>
<td>Based on technical and organizational requirements resulting from interviews with representatives of SMEs participating in SME-network a prototypic concept is developed</td>
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<tr>
<td>TITLE</td>
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<td>RESEARCH METHODOLOGY</td>
<td>TYPE OF DATA</td>
<td>SAMPLE</td>
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<tr>
<td>Murlay (2005)</td>
<td>Identifies and considers the stages and procedures specific to Virtual Teams: The advantages and disadvantages of Virtual Teams of e-Entrepreneurs are additionally documented and discussed</td>
<td>Longitudinal case studies</td>
<td>Qualitative</td>
<td>15 case studies</td>
</tr>
<tr>
<td>Anderson &amp; Eshirra (2013)</td>
<td>Investigates two potential mediators of the relationship between EO and firm growth - firm age, and intangible resource advantage</td>
<td>Survey</td>
<td>Quantitative</td>
<td>207 small to medium SMEs</td>
</tr>
<tr>
<td>Yli-Renko, Antos, &amp; Sapentzos (2001)</td>
<td>Exploring how young technology-based firms can leverage interorganizational relationships to acquire external knowledge and exploit it, focus is not on the knowledge exploitation process but rather on its results; on how social capital in a young firm’s relationship with its key customer affects the firm’s ability to acquire new knowledge, and exploit it for product development, technological distinctiveness, and reduced sales costs;</td>
<td>Survey, and follow-up survey after 2 years</td>
<td>Quantitative</td>
<td>180 SMEs; sample from the Dan and Bradstreet data base</td>
</tr>
<tr>
<td>Hinshe (2011)</td>
<td>Investigates factors impacting the adoption of Internet and e-business technologies in SMEs</td>
<td>Questionnaires</td>
<td>Quantitative</td>
<td>A stratified random sampling approach to selecting SMEs from telephone directories, i.e. Yellow Pages</td>
</tr>
<tr>
<td>Wiklund &amp; Shepherd (2001)</td>
<td>Does a bundle of knowledge-based resources applicable to the discovery and exploitation of opportunities improve firm performance? Does a firm’s EO enhance the positive performance benefits of knowledge-based resource?</td>
<td>Mail survey</td>
<td>Quantitative</td>
<td>2485 firms whose names and addresses were obtained from Statistics Sweden (the Bureau of Census); Stratified sample using the following criteria: (a) industrial sector based on ISIC codes (manufacturing, wholesale, retail, and services); (b) employment size class (10–49, 50–249); and (c) corporate governance (independent firms, members of company groups with fewer than 250 employees and members of company groups with 250 employees or more)</td>
</tr>
<tr>
<td>Liao, Wolsch, &amp; Stoica (2001)</td>
<td>Study the effect of absorptive capacity on organizational responsiveness, and the moderating effects of environmental turbulence and strategic orientation; SMEs</td>
<td>Questionnaires</td>
<td>Quantitative</td>
<td>A random sample of 1,000 SMEs; firms were used to test the hypothesis; Usable responses obtained from 284 companies; growth-oriented SMEs</td>
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<tr>
<td>TITLE</td>
<td>RESEARCH AIM</td>
<td>RESEARCH METHODOLOGY</td>
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<tr>
<td>Sinkula (1994)</td>
<td>Literature review on how organisations process market information; Develops hierarchy of Market knowledge; Establish the importance of organisational interpretation</td>
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<tr>
<td>Hult, Ketchen, &amp; Slater (2005)</td>
<td>Test a model that includes both cultural and information-processing elements of MO in investigating its influence on performance; MO in combination with other important performance antecedents;</td>
<td>Survey</td>
<td>Quantitative</td>
<td></td>
</tr>
<tr>
<td>Olavarrieta &amp; Friedmann (2008)</td>
<td>Their model indicates a significant effect of market orientation on firm performance, which is mediated by the role of knowledge-related resources; This study highlights the importance of a market-oriented culture and the possession of market-sensing skills to develop and foster innovativeness and imitation capabilities in an organization. These resources might well be keys for the survival and success of the firm</td>
<td></td>
<td>Quantitative</td>
<td></td>
</tr>
<tr>
<td>Dutta, Narasimhan, &amp; Rajiv (2005)</td>
<td>Conceptualizing and measuring capabilities; expand on extant theoretical literature on relative capabilities, by detailing the conditions that have to be met for relative capabilities to be measured; Proceed to suggest an estimation methodology, stochastic frontier estimation (SFE), to infer firm capabilities. Lastly, illustrate the technique with a sample of firms</td>
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<tr>
<td>Cegarra-Navarro &amp; Dewhurst (2007)</td>
<td>Study the relationship between and significance of two key factors of organization learning (exploration and exploitation of knowledge) and two possible control factors (company size and sector) on the ambidexterity context, and their effects on the creation of customer capital.</td>
<td>Questionnaire</td>
<td>Quantitative</td>
<td></td>
</tr>
<tr>
<td>Adner &amp; Helfat (2003)</td>
<td>Study the time-varying corporate effects, associated with corporate level managerial decisions heterogeneity in the same environmental conditions; Propose that dynamic managerial capabilities are rooted in three underlying factors: managerial human capital, managerial social capital, and managerial cognition</td>
<td>Analyse financial data from the Financial Reporting System (FRS), which the U.S. Department of Energy. The data source contains uniquely detailed and confidential annual reports</td>
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<tr>
<td>Capron &amp; Mitchell (2008)</td>
<td>How organisational selection capability; both external and internal mode of expansion and capability development is constrained from firms’ existing stocks of capabilities and from their internal social contexts</td>
<td>Mixed approach</td>
<td>Interviews</td>
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<tr>
<td>TITLE</td>
<td>RESEARCH AIM</td>
<td>RESEARCH METHODOLOGY</td>
<td>TYPE OF DATA</td>
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<tr>
<td>Dekins &amp; Freel (1998)</td>
<td>Examine the process of entrepreneurship and entrepreneurial learning in SMEs</td>
<td>Case study</td>
<td>Qualitative</td>
<td>4 case study firms that experienced strong growth, rapid change and adjustment of strategies from their experience and learning of a decision-making process.</td>
</tr>
<tr>
<td>Uhlman, Stel, Duplais, &amp; Zhou (2012)</td>
<td>Test whether two organizational capabilities (external sourcing and employee involvement in renewal activities) predict sales growth, and if so, whether such effects are mediated by process and/or product innovation</td>
<td>Survey questionnaire</td>
<td>Quantitative</td>
<td>Data were collected at three points in time: 1999, 2000, and 2002—by EIM Business and Policy Research (currently known as Panacea EIM); stratified sample of 229 SMEs; stratified also by size.</td>
</tr>
<tr>
<td>Zollo, Maurizio, Winter (2002)</td>
<td>Propose structure for the formation and development of DC through the mechanisms of experience accumulation, knowledge articulation, knowledge codification</td>
<td></td>
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<tr>
<td>(Mayer &amp; Kenney, 2004)</td>
<td>Examine the organizational and processual aspects of the acquisition process</td>
<td>Case study</td>
<td>Qualitative</td>
<td>Single case study.</td>
</tr>
<tr>
<td>Traxler (2013)</td>
<td>Examines how social media technology usage and customer-centric management systems contribute to a firm-level capability of social customer relationship management (CRM): examination of how social CRM capability is influenced by both customer-centric management systems and social media technologies</td>
<td>Survey</td>
<td>Quantitative</td>
<td>Random sample of 1200 firms across a broad spectrum of industries located in the United States. Survey 308 companies.</td>
</tr>
<tr>
<td>Verona &amp; Raas (2003)</td>
<td>To improve understanding of DC behind successful product innovation</td>
<td>Longitudinal, Exploratory case study research strategy</td>
<td>Qualitative</td>
<td>1 exceptional case.</td>
</tr>
<tr>
<td>TITLE</td>
<td>RESEARCH AIM</td>
<td>RESEARCH METHODOLOGY</td>
<td>TYPE OF DATA</td>
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<tr>
<td>Sok, O’Cass, &amp; Sok (2013)</td>
<td>Examines the individual effect of innovation, marketing and learning capabilities as well as their complementary effect on the performance of SMEs</td>
<td>Questionnaire</td>
<td>Quantitative</td>
<td>171 completed questionnaires</td>
</tr>
<tr>
<td>Harrigan &amp; Miles (2014)</td>
<td>measuring s-CRM in SMEs</td>
<td>Survey</td>
<td>Quantitative</td>
<td>190 SMEs</td>
</tr>
<tr>
<td>Lanza &amp; Passarelli (2014)</td>
<td>investigate technology innovation processes at one company</td>
<td>single longitudinal case study</td>
<td>Qualitative</td>
<td>1 SME</td>
</tr>
<tr>
<td>Kim, Aklur, Tsokas, &amp; Al-Duhami (2013)</td>
<td>the role that systems thinking plays in contemporary SMEs working in technologically-intensive industries.</td>
<td>structured questionnaire</td>
<td>quantitative</td>
<td>22 SMEs</td>
</tr>
<tr>
<td>Traitor et al (2014)</td>
<td>Investigate how social media technologies create value and positively influence customer relationship performance</td>
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<tr>
<td>Choudhury &amp; Harrigan (2014)</td>
<td>Focuses on social CRM and builds on a previous CRM model proposed by Jayachandran et al. (2005), adopting the resource-based view theory and the equity theory. This paper presents a new model for social CRM, including a new construct of customer engagement initiatives and adaptations of other constructs, to take cognisance of the impact of social media technologies on CRM</td>
<td>Survey</td>
<td>Quantitative</td>
<td>Marketing practitioners on the list obtained from CorpData, 1000 were chosen randomly; 167 usable responses;</td>
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</table>
## Appendix G: How the DCs are Measured to Date

### Table 26 How the DCs are Measured in Other Studies

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<thead>
<tr>
<th>Authors</th>
<th>How DC are measured</th>
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<tbody>
<tr>
<td>Noe &amp; Zahra (2009)</td>
<td>Two phases of the research: In the first phase, the focus is on understanding how absorptive capacity processes occurred at the operating capability level (prior to related knowledge). Knowledge acquisition, assimilation, transformation, and exploitation formed the key constructs in the operationalization of Zahra and George’s (2002) model of absorptive capacity. Prior related knowledge defined as existing knowledge, having some degree of relevance to new knowledge. How were you able to interpret the meaning of the incoming data? Did you need to know much about chemistry in order for you to understand what Scientific Y did? Knowledge acquisition defined as the gathering of information from internal and external sources. Questions asked: What new information did you acquire that became the basis of your work? How did you acquire information about the market? Knowledge assimilation referred to the processing of acquired knowledge for interpretation and understanding. Firm-level inquiries of assimilation asked: How was that new information distributed to relevant parts of the organization for interpretation and evaluation? Knowledge transformation regarded as the process of combining newly acquired and assimilated knowledge with existing knowledge. Questions: What new understandings emerged in your work? How did those new understandings emerge? Exploitation defined as those activities relating to the offering of a product for sale. Exploitation captured by asking: How did you seek to create commercial value from your ‘product’? Those questions were explored at the operating capability level in both Biological and Pharmaceutical Consistent with Winter (2003); product development is studied as an operating capability. Conclusions drawn about the role of absorptive capacity at the operating capability level in both organizations.</td>
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<tr>
<td>Ayau, Rodriguez, &amp; Ricart (2006)</td>
<td>Exploratory case studies (because of the early stage of firms’ capabilities theory, and because DCs are embedded in processes) of two companies: 2 Case write-ups; structured according to the components of dynamic capabilities, identified by Venkatraman and Ravasi (2003): actors, physical resources, structure, and systems, and company culture. The structure allowed the researchers to compare similarities and differences between the two cases and identify the potential variables of interest, which were reduced to the categories of values, and structures and systems.</td>
</tr>
<tr>
<td>Dussauge &amp; Ford (1999)</td>
<td>Case studies. The interviews were used to generate case material began with a semi-structured interview to elicit general development issues around motivation, formation, and later development: Potential critical incidents were highlighted and issues to be taken up with subsequent open-ended interviews. These critical incidents were then used to encourage the entrepreneur to expand on the process that led to the incident, how it was resolved and, what was learned from the incident; Considerable time spent alongside the entrepreneur understanding the nature of the firm, the innovation or technology process and discussion in addition to the formal and informal interviews. Also observation techniques was used to help identify critical factors in the entrepreneurial learning process.</td>
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<tr>
<td>Meyer &amp; Kenney (1984)</td>
<td>Single case study of Cisco: Two rounds of interviews with top-level executives; First round 46 interviews during 1995-1997; Focus on the acquisition strategies and benefits from being conducted just as Cisco’s acquisition strategy was conducted. 2nd round of interviews during 2001: 15 interviews with senior executives; These interviews focused specifically on the acquisition process and strategy; All interviews were semi-structured, tape-recorded, and later transcribed.</td>
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</table>

In the second phase of the research, the focus is on the interaction between operating and dynamic capabilities learned from the research. Development and commercialisation this learning and how the learning affected their subsequent dynamic capability. Changes to operating capabilities we companies had about entrepreneurial opportunities given evolution of the firm was further enhanced by gaining input from Director of Research experience and how they shaped the primary and secondary data to uncover clear patterns in P...
<table>
<thead>
<tr>
<th>Authors</th>
<th>How DC are measured</th>
<th>Constructs measured:</th>
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<tbody>
<tr>
<td>Venkat &amp; Rauzi (2003)</td>
<td>Longitudinal exploratory case study; interviews with managers involved in the development of a successful product; background; role in the process; changes in the organization and how their activities were affected; focus on the process of product development; interviews, documents available; view on the improvement of the process of product development and why it was so effective; follow-up interviews; collect further data, solve minor discrepancies and submit researchers' interpretations; Archival research</td>
<td>Motives for Foreign Direct Investment market-seeking; Entrepreneurial rent-seeking; aggressive; Technology capability; assimilation; imitation and core resources management; R&amp;D support and technology acquisition group</td>
</tr>
<tr>
<td>Lee &amp; Silten (2007)</td>
<td>Single case study of Samsung, to shed light on understanding the development process that Samsung has experienced in terms of its pertinence to RBV theories and the IIP paradigm; in-depth and clear analysis of the factors that led to success in terms of RBV Dynamic Capabilities (accounts of strategy and international business)</td>
<td>Innovative firms leverage these elements to integrate and manage different processes; the innovation capability shall reflect activities leading to continuous product, process and system improvements;</td>
</tr>
<tr>
<td>Lawson &amp; Sisson (2003)</td>
<td>A model of innovation capability, constructed from the following core elements: vision and strategy; harnessing the competence base (resource management; variety of finding channels; innovation champions; e-business; organisational intelligence (learning about customers); learning about competitors); creativity and idea management; structure and systems (organisational structure, reward system); stretch goals for innovation; culture and climate (tolerance of ambiguity; empowered employees; expert creativity; communication; Management of Technology)</td>
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<tr>
<td>McKelvie &amp; Davidson (2009)</td>
<td>The first dynamic capability measured; idea generation capability is the ability of a firm to develop new ideas for future entrepreneurial action; it is accepted as being a precursor for firm-level innovative behaviour and may be a source of competitive advantage; the employed items are adopted from the operationalization of Stevenson's (e.g., Stevenson and Jarillo, 1990) perspective of firm-level entrepreneurial behaviour (Brown, Davidson and Wilden, 2001). Market dynamism: capability also derives from the literature on firm-level entrepreneurial actions (Brown, Davidson and Wilden, 2001). Market dynamism: capability specifically examines the behaviour of the firm in terms of the magnitude, aggressiveness and persistence of releasing innovations to the market; it measures to what extent the firm creates market dynamism. The five items that were used to measure this capability are established in the literature on entrepreneurial behaviour (e.g., Covin and Slevin, 1991).</td>
<td>The third and fourth dependent variables were measured: approach to measuring capabilities that uses outcomes (e.g., Naumann and Rajiv (2005) argue is a suitable method for operationalizations of both capabilities reflect the multidimensional and the complexity of the relationship. For new product development capability, the product service innovation, and the quality and quantity of the competition. The dependent variable, new process and service-related to performance of process innovation and adoption relative to competitors;</td>
</tr>
<tr>
<td>Bussard &amp; Magnanou (2006)</td>
<td>The variables used are the following: Market change refers to changes to customers or markets for the firm’s offerings; Technology change refers to changes in the technology used in the products and services; Survival refers to the status of the investigated company at the time of study; Empirical Observation;</td>
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<tr>
<td>Bouch (2007)</td>
<td>Create research framework and form hypothesis. Teixeira et al. (1997) as well as Eisenhardt and Martin (2000) highlight mechanisms that build, grow, integrate, reconfigure and release internal and external resources to address rapidly changing environments. Measure innovative strategies: Proactive-strategy; seven firms; development of new products, research with new products, continuous development of business ideas, seizing new market opportunities, continually improving existing products, search for new creative solutions and first with technological development; and Growth-seeking orientation strategy: acceptance of high risk, fast-growth policy, encourage bold and risky market solutions, changes in products/services have usually been quite dramatic and aggressive in new marketing;</td>
<td>the DC variables: the independent variables are the four with a 15-item measurement scale. Path-mapping capabilities and export capability was measured through the items cooperation, exchange of knowledge, and cooperation with local partners, and the firm’s ability to make changes to the firm’s strategy, and perception of the environment and high management capacity. The dependent variable, interaction with employees, suppliers, customers and competitors’ feedback, and the implementation of the organisation’s strategy;</td>
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<tr>
<td>Authors</td>
<td>How DC are measured</td>
<td>Control variables</td>
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<td>Anderson &amp; Eskeira (2013)</td>
<td>Firm growth: Measured Elements: Average sales growth for the last three years; Average market share growth for the last three years. Average employment growth for the last three years. EO derived from the nine-item EO scale developed by Covin and Slevin (1989). Firm age; Intangible resource advantage: The individual measures are grounded in the VURO (valuable, rare, immovable, organizational orientation) framework as developed by Barney (1991), and are meant to capture senior managers' perception of the extent to which their firm possesses an advantage—in terms of either quality or quantity—in intangible resources relative to their industry rivals. The scale defines intangible resources consistent with the conceptualization offered by Baum (1987), including employee know-how, managerial systems, company reputation, intellectual property, and informal social networks; intangible capabilities (i.e., special skills, managerial know-how, relationships, and reputation);</td>
<td>Sales turnover, Market scope, Tech net</td>
</tr>
<tr>
<td>Chang, Hughes, &amp; Hohto (2012)</td>
<td>A: Leadership - (1) adaptability and (2) risk-taking tolerance; B: Structural characteristics - (1) formalization and (2) connectedness; C: Social context - (1) deviation and (2) supportive; D: Performance management - (1) goals and (2) efforts; E: Innovation ambidexterity - (1) exploitative innovation and (2) explorative innovation; F: Business performance</td>
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<tr>
<td>Chang, Hughes, &amp; Hohto (2011)</td>
<td>Dependent variables: He and Wong’s (2004) measurement. BD was equal to the absolute difference between exploration and exploitation. Measures of explorative innovation capture the essence of the exploitation of new possibilities and measures of explorative innovation capture the essence of exploitation of old certainties (He and Wong, 2004). For business performance, measures were adapted from the work of Gibson and Birkinshaw (2004) on explorative and exploitative innovation.</td>
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<td>Shen &amp; Lee (2004)</td>
<td>Measurements of management of exogenous knowledge: IT reduces uncertainty of knowledge loss; IT reduces dependence on specific personnel; IT is comprehensively utilized by members in organization; IT is comprehensively constructed in organization; Top management is capable of applying IT; Members in organization apply IT to search and use current organizational knowledge; Members in organization apply IT to create new knowledge; Measurements of management of exogenous knowledge: IT facilitates acquisition of supply chain knowledge; IT facilitates acquisition of marketing knowledge; IT facilitates processing of supply chain knowledge; IT facilitates processing of marketing knowledge; IT infrastructure is congruent with corporate strategy</td>
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<tr>
<td>Mascie (2007)</td>
<td>Absorptive capacity and SMMs: Dependent variable: collaboration with other firms; collaboration with Universities or Research centers; collaboration with TRC on innovation or business issues; No of different types of firm’s collaborations. Independent variable: size, years of firm’s activity; Share of turnover reinvested in the company’s activities; access to funds in support of innovation; Indicators of human capital and absorptive capacity; Share of employment involved in R&amp;D activities; Employment of personnel with a university degree; continuous training programme; awareness of being part of a local innovation system; Industry dummies: machinery, metal products, electrical products, plastic products, textiles and garments, others.</td>
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<td>Authors</td>
<td>How DC are measured</td>
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<tr>
<td>Lichtenhiser (2009)</td>
<td>Measures: The Learning Process: Exploratory Learning: Recognise, Assimilate; Transformative Learning: Maintain, Reactivate; Exploitative Learning: Transmute, Apply.</td>
<td>Five preliminary had been conducted and developed into:</td>
</tr>
<tr>
<td>Cao, Godalovic, &amp; Zhang (2009)</td>
<td><strong>Independent variable</strong>: firm performance; <strong>dependent variables</strong>: Two dimensions of ambidexterity, and tested the interaction between firm performance and the ambidextrous and environmental contingencies respectively. To measure firm performance, adopted the scale of Gupta and Govindarajan (1986). Organizational ambidexterity in an integrative construct of exploration and exploitation measures of BI and CD and are therefore based on underlying measures of exploration and exploitation.</td>
<td>Measures: Applied exploitation: Big Dimension of Ambidexterity; Co</td>
</tr>
<tr>
<td>Jansen (2006)</td>
<td><strong>Dependent variables</strong>: Financial performance; Exploratory Innovation; Exploitative Innovation; <strong>Independent and Moderating variables</strong>: Centralization of decision making; Formalization; Connectedness; Environmental dynamism; Environmental competitiveness;</td>
<td>Control variable focus, Unit's participation</td>
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<tr>
<td>He &amp; Wong (2004)</td>
<td><strong>Dependent variables</strong>: Sales growth rate in the last three years; <strong>Independent variables</strong>: Developed eight Likert-scale items to measure how firms divide attention and resources between innovation activities with explorative versus exploitative objectives in the last three years.</td>
<td>Intermediary: Innovation process innovation intensity</td>
</tr>
<tr>
<td>Yi-Ranke, Asico, &amp; Sapinzea (2007)</td>
<td>Measured knowledge acquisition with four statements reflecting the technological and market knowledge that a young technology-based firm may acquire from the key customer. The items were based on Iljiber (1991), Nooteboom et al. (1997) and Von Hippel (1988). Survey-based measures of organizational learning have previously been used effectively by Simonin (1997), Zander and Kogut (1999), and Zehra et al. (2000).</td>
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<tr>
<td>Liao et al. (2003)</td>
<td>Respondents firstly allocated 100 points among four statements: “my organization emphasizes growth and acquiring new resources”; “my organization emphasizes efficiency and smooth operations”; “my organization emphasizes competitive actions and responses”; and “my organization emphasizes stability.” The first statement is related to SMEs’ growth intention, while the other three statements are related to cost efficiency. Respondents that allocated at least 25 points to the first statement were included in the subsample for subsequent screening procedures. Only those SMEs that had at least a 5% growth rate in the last two consecutive years were included in the sample. By combining both subjective and objective measures of growth orientation, the researchers identified a homogeneous group of growth-oriented SMEs. A 12-item measure of external knowledge acquisition was developed, following the approach by Kohli, Jaskowski, and Kumar (1993), Narver and Slater (1990), and Slater and Narver (1994)</td>
<td>Task Environment and Situational (198 external knowledge dissemination); Task orientation; Strategic orientation; Adopted the scale Controlled for S</td>
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<tr>
<td>Authors</td>
<td>How DC are measured</td>
<td>Notes</td>
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<tr>
<td>Cugama-Navarro &amp; Dewhurst (2007)</td>
<td>A questionnaire comprising 24 items (six measuring the range of exploration of knowledge, six measuring the range of exploitation of knowledge, six measuring the extent to which the ambidexterity context was achieved and six relating to the strength and depth of customer capital). The initial questionnaire had been pre-tested in a previous study (Cugama and Dewhurst, 2006), knowledge exploration (KE), consisting of six items adapted from a scale designed by Kohli et al. (1993), knowledge exploitation (KE) was adapted from Kohli et al. (1993); focused on the utilization of knowledge about market intelligence to develop plans and the responses to implementation of such plans. The measures relating to the existence of an ambidexterity context (AC) scale consisted of six items adapted from a scale designed by Baker and Sinkula (1999b) to measure the construct of open-mindedness (i.e. a willingness to consider ideas and opinions that are new or different)</td>
<td>These items described as measuring other mental processes, new formation, was measured as components were matched for test/proactive learning, relations, some characters selling branded customers, were</td>
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<tr>
<td>Cohen &amp; Levinthal (1990)</td>
<td>Absorptive Capacity defined as company-financed business-unit research and development expenditures, expressed as a percentage of business unit sales and transfers over the period 1973 through 1977. The data on interindustry differences in technological opportunity and appropriability are industry (line of business) mean scores computed as an average over all respondents within a given industry</td>
<td>Develop and test</td>
</tr>
<tr>
<td>Trumper (2013)</td>
<td>Following Jayachandran et al. (2005), an index for the social media technology use measure was developed. Social CRM capabilities were operationalized using an adapted scale from Sriram and Moozmann (2004), which represents an organization-wide system for acquiring, disseminating, and responding to customer information; Customer-centric management system was measured using six items from the Jayachandran et al. (2005); Customer relationship performance was measured using scale items developed by Rapp et al. (2010).</td>
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<tr>
<td>Choudhury &amp; Harrigan (2014)</td>
<td>Measures: Customer relationship orientation; CRM technology use; Customer engagement initiatives; Relational information processes (IC); Information capture; integration; access; CRM relationship performance</td>
<td>Jayachandran et</td>
</tr>
<tr>
<td>Lubkin (2006)</td>
<td>Measures: Behavioral integration/collaborative behavior; Information exchange and joint decision making; Ambidextrous orientation: The six items consistent with an exploratory orientation described the firm as one that (a) looks for novel technological ideas by thinking “outside the box,” (b) bases its success on its ability to explore new technologies, (c) creates products or services that are innovative to the firm, (d) looks for creative ways to satisfy its customers’ needs, (e) aggressively ventures into new market segments, and (f) actively targets new customer groups. Similarly, the 6 items consistent with an exploitative orientation described the firm as one that (a) commits to improve quality and lower cost, (b) continuously improves the reliability of its products and services, (c) increases the levels of automation in its operations, (d) constantly surveys existing customers’ satisfaction, (e) fine-tunes what it offers to keep its current customers satisfied, and (f) penetrates more deeply into its existing customer base. Controlled for industry and environmental uncertainty because both have been linked to a firm’s motivation to adapt to changing resource conditions and performance.</td>
<td></td>
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<tr>
<td>Authors</td>
<td>Market orientation, Organisational learning, DC and Performance of SMEs/Measurement</td>
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<tr>
<td>Olavarría &amp; Friedmann (2008)</td>
<td>Integrative model highlights the role of a market-oriented culture and knowledge-related resources as antecedents for the continuous creation of competitive advantages; MO- Narver &amp; Slater 1990 (Customer Orientation; Competitor Orientation; Interfunctional Coordination; Brand strength: brand awareness, uniqueness (proprietary asset), perceived quality, brand favorability and extendibility (Aaker, 1991, Bharadwaj, 1994); Firm image: Fyplell and Wang 1994 (also Bharadwaj, 1994) focusing on overall reputation relative to competitors, overall perceived quality/efficiency of products/services, firm’s reputation as employer, and financial reputation; Market-sensing capability- New measure based on Huber (1991), Sinkula (1994) and Day (1994a,b). Four dimensions are hypothesised: information acquisition activities, information dissemination activities, information interpretation activities, and information storage-retrieval; Imitation capability- New measure capturing the willingness and readiness to imitate (Dickson 1992, 1996; Schnaars 1994); Firm’s innovativeness- Adapted measure (Deshpande et al., 1993, Moorman 1995) focusing on new technological content of product, first-to-market new products/services, process innovativeness, and industry leadership; New product performance- Adapted measure from Moorman (1995) focusing of new product general sales success, profitability, market share, creativity and timeliness;</td>
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<tr>
<td>Koh, Nguyen, &amp; Ng (2007)</td>
<td>The effects of entrepreneurial orientation and marketing information on the performance of small and medium-sized enterprises; Selected randomly from different industries (e.g., retail, manufacturing and service sectors). Small businesses with fewer than 100 employees; survey; Singaporean entrepreneurs; The utilization of information regarding marketing mix decisions (particularly the Promotion and Place elements) positively affects firm performance; The strategic influence on the company by the business owners is higher in small businesses with fewer than 100 employees; Business owners were the target respondents</td>
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<td>Merrilees, Rundle-Thiele, &amp; Lyc, 2011</td>
<td>The survey instrument asked respondents to indicate their perceptions with regard to the items pertaining to brand capability, innovation capability, management capability, firm characteristics, market orientation, marketing performance and financial performance. Items were measured through a seven-point scale, with scale poles ranging from “strongly disagree” to “strongly agree”. Most of the scales are drawn from or adapted from Hoon et al. (2005).</td>
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<td>Authors</td>
<td>Market orientation, Organisational learning, DC and Performance of SMEs/Measurement</td>
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<td>Sok, O’Cass, &amp; Sok (2013)</td>
<td>Marketing capability was assessed using a 5-item scale based on the work of Vohsies and Morgan (2005). A seven-point scale was used ranging from “much worse than major competitors” to “7 much better than major competitors”. The scale used to assess innovation capability was adapted from Hurley and Hult (1998) and Calantone et al. (2002), while learning capability was assessed using a 5-item scale adapted from Calantone et al. (2004) and Garcia-Morales et al. (2006). A seven-point scale was used ranging from 1 “not at all” to 7 “extensively”. SME performance was assessed using a 3-item scale derived from Morgan et al. (2009). A seven-point scale was used ranging from 1 “much worse than major competitors” to 7 “much better than major competitors”. This study controlled for firm size (assessed by the number of employees), firm age (assessed by number of years in operation), industry type (dummy coded), market uncertainty and technology uncertainty. Market uncertainty was assessed using a 6-item scale. Market uncertainty was assessed using a 4-item scale. These scales were adapted from Jaworski and Kohli (1993) using a 7-point scale from 1 “strongly disagree” to 7 “strongly agree”.</td>
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<tr>
<td>Harrigan &amp; Miles (2014)</td>
<td>Examine the critical factors underpinning the e-CRM activities of SMEs. Many items were borrowed and/or adapted from Jayachandran et al.’s (2014) on traditional CRM in larger organisations (see Appendix A). Measure 7 factors underpinning SME Social CRM were measured: online community support; information capture; information use; customer relationship orientation; social media data; customer communication;</td>
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<tr>
<td>Lanza &amp; Passarelli (2014)</td>
<td>Study innovation in SMEs: Longitudinal case study design; interviews with key actors and archival data; data collection and analysis structured around following concepts: entrepreneurial insight, entrepreneurial heuristics, entrepreneurial flexibility.</td>
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<td>Wang (2008)</td>
<td>Evaluates the EO-LO-performance relationship. &quot;A sample of 1500 UK-based firms (each with at least 50 employees-a criterion for medium-to-large firms defined by the UK Department of Trade and Industry) randomly selected from the FAME Database; 213 medium-to-large firms respond with usable questionnaires&quot;. Mail survey; Quantitative; Entrepreneurial orientation (EO); Learning orientation (LO); Jaworski, Sinkula, H</td>
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Appendix H: Interview Guide

Background Information

What position do you occupy within the company and what is the length of time that you have held this role?

Age, education, training, prior work experience:

What is the nature of your business: products, markets, target customers?

General problems that you have experienced:

What is your company’s mission, vision and values?

How do you win business? To what extent does your organisation possess advantage in terms of know-how, special skills, managerial systems, relationships and reputation, intellectual property, and informal social networks?

Do you have a written strategy, marketing strategy, social media strategy, what are your main objectives?

(Collaboration, relationship marketing, monitoring of customers and competitors (looking for answers), engagement, brand awareness, promotion, customer service, crowdsourcing)?

How are you currently gathering market intelligence? Is there any difference to how you have been doing this in the past? How it is (both are) beneficial? How were you able to interpret the meaning of the incoming data?

When, how and why has social media been introduced to the company? Is it central to marketing?

How did the social media idea spread inside the company? What are the managers’ attitudes towards social media? How do employees feel about social media? Is there a difference between staff and owner attitudes towards social media?
What social media platforms are you currently using (SNS, blogs, mobile apps, wikis, video sharing, picture sharing)? Which tools do you use: paid/unpaid, basic functionality/advanced tools?

**Market Dynamism**

What changes in your environment are you facing (dynamic vs stable industry)? How do you detect changes in the external/internal environment?

What type of new competencies and skills do you need to adjust to these changes in your environment? How do you intend to acquire those needed skills (online, offline networking practices, collaboration, social media use)?

How often is the strategy/plan revised? What are the triggers that initiate revisions/iterations in marketing activities (planned revisions only or also revisions due to market changes, competitor actions or internally driven revisions)?

**First Stage of the Interview**

**Actors**

- How is social media used on a daily basis? How is the process structured? Do you use social media to interact with key customers or only to find new prospects? How often?

- Who are the actors involved in social media management? What is their role (planning, content creation, monitoring and evaluation)?

- Are there any special skills associated with this role (education, experience)?

- Are there any external suppliers involved?

- In what part of the marketing department is information of interest spotted, and what is the process?
Culture

- What type of data is of interest to you (customers’ opinions, comments, preferences, criticism, market trends, competitors’ activities)? What new information have you acquired that became the basis of your work?

- How do you recognise and understand that particular information, activity (comment, suggestion) is of value to you? Did you need to know your current objectives in-depth in order to analyse and interpret the incoming information?

- If a problem arises, how do you deal with it? What is the attitude toward negative comments? Any there any particular procedures (restrictions on usage; social media policy)?

- How are employees motivated to contribute/use tools? What are the incentives to contribute with content?

Structure and Systems

- How is the newly acquired information distributed to relevant parts of the organisation for interpretation and evaluation? Can you describe the process?

- Are you using social media for internal communication and sharing/tagging, and, if not, how are you communicating internally?

Physical Resources

- What kinds of physical resources are assigned to social media activities, such as: people, specific software, hardware, budgets, suppliers?
Second Stage of the Interview

Actors
- How do SME owners perceive and make sense of the market intelligence and how did these new understandings emerge? Who are the actors involved in the interpretation and evaluation process?

Culture
- What are the guiding values, assumptions, beliefs (behind mission and vision, and strategy’s objectives) that underpin the understanding and evaluation: willingness to improve, learn, grow, change?

Structure and systems
- How is this acquired information of interest transferred to relevant parts of the organisation and incorporated into existing marketing systems? Do you integrate the information with existing customer information (for example, CRM database)?
- Is there a particular procedure for saving important comments, or other insight, market intelligence? Do you use Web 2.0 technologies for storing information (corporate wikis, blogs)?

Physical resources involved
- specific software used, social networking tools, meetings, e-mails, time dedicated

Performance Measurement
- Have the social media objectives been achieved (in case objectives are defined in advanced)? How often and how is their achievement evaluated?
- What are the criteria for performance measurement? KPIs? Are they documented?
• What challenges arise during the processes? How do you cope with challenges (too much information, too messy)?

**Third Stage of the Interview**

**Objective Three: Exploitative**

**Marketing Practices Planning**

• What new understanding emerged as a result of the incoming information that became the basis of your work (market research, pricing, product development, channels, promotion and market management, experience and opportunity, threats, involving customers in decisions or content creation, design process, brand development, product development)?

• What actions are taken in response to the market intelligence gathered and filtered?

• Do you reflect on past practices, iterations of marketing practices, objectives, tactics, recognise mistakes by provoking dialogue?

• Is there access to new resources, bringing in external experts/resources as part of the marketing, creative integration; derail competitors, solve customers’ problems?

• What degree of change in your marketing activities arose? Were you able to adapt or did you have to completely reconfigure existing marketing practices (iteration, change, or complete removal)?

• Are you willing to quickly reconfigure strategy and practices in order to respond to market change, threats of competitors or new opportunities or your existing strategy and objectives, KPIs and targets are with higher priority, and do you prefer to stick to the plan?
• How did you seek to achieve new, additional value from applying these changes to your marketing actions? What are the implications for the evolution of the firm marketing activities (reduced costs, improved efficiency, analyse responses to campaigns, retention of customers, customize marcomms, content personalisation, brand development, calculate CLV)?

• Have you been able to implement changes simultaneously while managing the present online and offline marketing operations? How were you able to integrate and coordinate external and internal marketing processes and activities?

• Are there, in your opinion, intangible resources (VRIN) that you developed/acquired/executed: know how, special skills, managerial processes relationships and reputation, corporate culture, trust, loyalty, advocacy, satisfaction, engagement, personalisation?

• To what extent are the latter connected (if at all) to your competitive advantage?

• Is there anything else I did not ask you that I should have asked?
Appendix I: Participants' SME Owner-Managers Characteristics

Table 27 Participants' SMEs Owner-Managers Characteristics

<table>
<thead>
<tr>
<th>Case / Company</th>
<th>Summary of Owner Background</th>
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<tbody>
<tr>
<td>Company A</td>
<td>Mid-aged Male; American;</td>
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<tr>
<td>Company B</td>
<td>42 y.o Femal; high school degree; dyslexic; various real life experience</td>
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<tr>
<td>Company C</td>
<td>40-45 Femal; University degree</td>
</tr>
<tr>
<td>Company D</td>
<td>55+ University degree, Switzerland</td>
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<td>Company E</td>
<td>55+ University degree</td>
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</table>
Appendix J: Participant Invitation Letter
Dear Potential Participant,

I would like to invite you to participate in a research study exploring SME Social Media Practices.

Firstly, I would like to thank you for taking the time to read this invitation letter and inform yourself about the research project. My name is Iva Atanassova, and I am the principal investigator for this project. I am a PhD researcher at Portsmouth Business School.

This research project is designed to explore SME Social Media Practices, and the effects of the generated market intelligence on SME Marketing activities development.

Your company has been identified as a suitable participant in the current research. Your contact details have been obtained from your LinkedIn / Facebook / Google+ / Twitter profile / website or networking event.

The data that is going to be collected through an in-depth interview and Social Media content, is needed to help us better understand your experiences and the processes taking place in your organisations in relation to your Social Media practices.

The in-depth interview will last no more than an hour. The session will be recorded in order to prevent any data omission. Additionally, I will be taking some notes during the session.

The recorded interviews will be kept in confidentiality on the University’s storage system and will be securely disposed of 5 years after the end of the project. The data will be shared only with the
research supervisors.

All the identifying information will be anonymized. We will ensure that the information included in the thesis, transcripts and publications does not refer to the participants or the organisations they represent by their real names.

Please, refer to the information sheet for more information about the project itself, and about how confidentiality issues are dealt with.

Remember, you don’t have to talk about anything you don’t want to and you may end the interview at any time.

Do you have any questions about what I have just explained?

YES / NO

I understand the procedures described above. My questions have been answered to my satisfaction.

YES / NO

Are you willing to participate in this interview?

YES / NO

If you have any further questions or concerns about this research, please contact me on:

Principal Investigator:

Iva.atanassova@port.ac.uk
0787 666 33 15
PhD in Marketing and Sales
Portsmouth Business School
Richmond Building
PO1 3DE
www.port.ac.uk/pbs

Research Supervisors:

Dr Lillian Clark
Lillian.clark@port.ac.uk

Dr Shalini Ramlall
Shalini.ramlall@port.ac.uk

Thank you very much for your time spent reading this invitation letter.

Sincerely,

Iva Atanassova
Appendix K: Participant Information Sheet
Study Title: Social Media Practices in Small and Medium Sized Enterprise Marketing Activities

REC Ref No: E327 - 22/12/2014

You are invited to participate in a research project conducted by Iva Atanassova and the University of Portsmouth Business School. The present study is conducted as part of a PhD project. Your participation in this study is entirely voluntary. Please read the information below and ask questions about anything you do not understand, before deciding whether or not to participate.

What is the purpose of the Study?
The purpose of the study is to explore SME Social Media Practices in the SME Marketing context. Despite the wide importance of Social Media technologies for companies of all types and sizes, there is currently a substantial gap in both academics’ and practitioners’ understanding of the above processes, and thus the actual implications of Social Media. The project therefore, will have both academic and practical implications.

Why have I been invited?
It is believed that by conducting an in-depth study of the Social Media use and experiences of SMEs of different types and sizes, an in-depth understanding of the differences and similarities of the processes taking place in different settings will be developed.

Your company has been identified as a suitable participant in the current research. Your contact details have been obtained from your LinkedIn / Facebook / Google+ / Twitter profile / website or networking event.

Do I have to take part?
It is up to you to decide to join the study. I will describe the study and go through this information sheet. If you agree to take part, your consent will be audio recorded.
**What will happen to me if I take part?**
If you agree to take part in this research project, you will be asked to participate in an in-depth interview. During the interview, you will be asked general questions about your Social Media practices. The in-depth interview will last no more than an hour. The session will be audio recorded in order to prevent any data omission.

An access to your Social Media presence will be also requested, such as: connecting with the researcher; accepting the researcher as a part of a group, subscriber or follower; providing the researcher with access to any other Social Media content.

**Expenses and payments**
No expenses are associated with the research participation.

**What will I have to do?**
Participation in the study will include:

An in-depth interview

Providing access to your Social Media presence.

**What are the possible disadvantages and risks of taking part?**
No risks and disadvantages are associated with the participation in the research.

**What are the possible benefits of taking part?**
The study will advance the understanding of the processes taking place in relation to Social Media use and their implications for SME marketing.

Upon request, participants can receive the findings of the study.

**Will my taking part in the study be kept confidential?**
The collected data will be kept in confidentiality at the University’s storage system and will be securely disposed of 5 years after the end of the project. The data will be shared only with the research supervisors.

All the information that is obtained and that can be identified with the interviewee will be anonymized. The researcher will ensure that the information included in the thesis, transcripts and publications does not refer to the participant or the organisation they represent by their real names.

**What will happen if I don’t want to carry on with the study?**
You can choose whether or not to participate in this study. If you volunteer to be in this study, you may withdraw at any time, without consequences of any kind. You may also refuse to answer any questions you do not want to answer.

**What if there is a problem?**
If you have a concern about any aspect of this study, you should ask to speak to the researcher or their supervisors, who will do their best to answer your questions.

Iva Atanassova, Principal Investigator: iva.atanassova@port.ac.uk
Dr Lillian Clark, Research Supervisor: Lillian.clark@port.ac.uk
Dr Shalini Ramlall, Research Supervisor: Shalini.ramlall@port.ac.uk
If you remain unhappy and wish to complain formally, you can do this by contacting the Head of the Marketing and Sales Subject Group, Dr Beth Rogers: Beth.rogers@port.ac.uk

**What will happen to the results of the research study?**

It is intended that in addition to the thesis, academic articles and conference papers will be published to disseminate the results of the study. The participants would not be identified in any of the publications.

**Who is organising and funding the research?**

This research project is funded by the Portsmouth Business School.

**Who has reviewed the study?**

Research in the University of Portsmouth is looked at by independent group of people, called a Research Ethics Committee, to protect your interests. This study has been reviewed and given a favourable opinion on the 22nd of December 2014 by the University Research Ethics Committee.

**Further information and contact details**

If you have any questions or concerns about this research, please contact:

Iva Atanassova, Principal Investigator: iva.atanassova@port.ac.uk, or mobile: 0787 666 33 15

Portsmouth Business School Ethics Committee: Professor Lisa Jack, Chair: Lisa.jack@port.ac.uk

University Research Strategy: http://www.port.ac.uk/site-search/?q=research+strategy

Thank you for taking the time and informing yourself about this research project.

If you decide to participate you will be given a copy of the information sheet to keep and your consent will be sought.
Appendix L: Ethical Review Checklist

Ethical Review Checklist – Staff and Doctoral Students

This checklist should be completed by the researcher (PhD students to have DoS check) and sent to Sharman Rogers who will coordinate Ethics Committee scrutiny.

No primary data collection can be undertaken before the supervisor and/or Ethics Committee has given approval.

If, following review of this checklist, amendments to the proposals are agreed to be necessary, the researcher must provide Sharman with an amended version for scrutiny.

1. What are the objectives of the research project?
   - To explore the process of SME Social Networking and its implications for SME Marketing capabilities development through understanding the following three processes:
     - Recognition and absorption of market intelligence through Social Networking
     - Assimilation and sense-making of that market intelligence
     - Transformation of future on & offline marketing activities as a result

2. Does the research involve NHS patients, resources or staff? YES / NO

   If YES, it is likely that full ethical review must be obtained from the NHS process before the research can start.

3. Does the research involve MoD staff? YES / NO

   If YES, then ethical review may need to be undertaken by MoD REC. Please discuss your proposal with your Director of Studies and/or PBS Ethics Committee representative and, if necessary, include a copy of your MoD REC application for quality review.

4. Do you intend to collect primary data from human subjects or data that are identifiable with individuals? (This includes, for example, questionnaires and interviews.) YES / NO

   If you do not intend to collect such primary data then please go to question 15.

   If you do intend to collect such primary data then please respond to ALL the questions 5 through 14. If you feel a question does not apply then please respond with n/a (for not applicable).
The data will be used to build case studies and uncover the processes taking place in relation to SME Social Networking practices and the implications of these practices in SME marketing context. The primary data will enlighten participants’ perceptions, and will enable an in-depth understanding development of these experimental and under-researched processes.

Owners / Participants will be asked general questions about their Social Media and Marketing Practices.

1. What is/are the survey population(s)?
   SMEs in the Solent area using Social Media.
   The total number of SMEs in Solent area is 1371, according to MintUk database.

2. How big is the sample for each of the survey populations and how was this sample arrived at?
   Six exploratory case studies will be developed to illustrate, contrast and compare differences and similarities in SME Social Media practices in relation to the research proposition. The sample will not be representative and generalizable to the population, because the purpose of the research is to obtain analytical not statistical generalization. SMEs pertaining to industry sectors with different dynamics will be recruited to pursue the two different patterns of case study replication logic. Cases would be carefully selected on base similarities (literal replication) and also on base differences, and consequently predicted contrasting results (theoretical replication). Two case studies will be developed for the purposes of literal replication and four cases for theoretical replication. However, if controversial findings occur additional cases might be added.

3. How will respondents be selected and recruited?
   All the participating SMEs should have at least 5 employees. Two established SMEs (at least 5 years old) from dynamic industries will be recruited because they are claimed as intensively processing market information. On the other hand, two established SMEs (at least 5 years old) from stable, traditional industries will be also recruited to ensure comparability of the results. Additionally, one young start-up (up to 5 years old) and one established older (more than 10 years old) SME from dynamic industries will be also selected and recruited in order to further explore the differences, derived from their established versus emergent routines in their information gathering and processing practices.

   **Duration of Social Media Usage:**
   All companies should be using Social Media from at least a year.

   **Social Media Sources:**
   They should participate in at least two of the big four Social Media networks (Twitter, Facebook, LinkedIn and Google+). They could use in addition other peer-to-peer websites such as blogs, micro blogs, wikis, podcasts, photo sharing, video sharing and social bookmarking) and/ or use Social Media as part of their website.

   **Frequency for posting on Social Media:**
All companies should post, update, reply to customers at least once a week. They all have to agree to give access of the researcher to their Social Media content, if needed, such as: connect with the researcher; accept the researcher as part of a group, subscriber or follower provide the researcher with access to Social Media content from their website).

Recruitment:

Contact details of SMEs have been obtained at the PBS Hot Topic seminar “10 Essentials of Effective Digital Marketing” on the 8th of October 2014 and at the Speed Networking event at PBS on the 26th of February 2014.

If needed, additional participants will be selected through conducting Facebook, LinkedIn, Twitter searches and identifying potential case companies that satisfy all the defined and listed below selection criteria. Additionally, snowball sampling could be used through recruiting participants among existing study participants’ acquaintances.

Other sources of contacts could be used also, such as networking events, University company database, contacts of supervisors, and contacts of researcher from Masters’ project. The University knowledge and exchange coordinator might be approached also.

1. What steps are proposed to ensure that the requirements of informed consent will be met for those taking part in the research? If an Information Sheet for participants is to be used, please attach it to this form. If not, please explain how you will be able to demonstrate that informed consent has been gained from participants.

   Consent will be obtained from every participant and will be audio recorded.

   A Participant Information sheet will be provided to every participant prior deciding whether to participate or not in the research. The information sheet will contain information about the purpose of the research and the procedures. The participants will be able to make an informed decision about whether or not to participate in the research.

   Please, see attached the information sheet.

2. How will data be collected from each of the sample groups?

   • Audio-recorded, face-to-face (or telephone), in-depth, semi-structured interviews
   • Observation and analysis of Social Media content and practices (consent will be given by participants)

3. How will data be stored and what will happen to the data at the end of the research?

   The collected data will be stored at the University private storage systems (N Drive) and will be securely disposed of 5 years after the end of the PhD project, unless publication requirements state otherwise.

4. What measures will be taken to prevent unauthorised persons gaining access to the data, and especially to data that may be attributed to identifiable individuals?

   The data will be stored at the University storage system (N Drive) that is private and secure. The data will be shared only with the research supervisors.
1. What steps are proposed to safeguard the anonymity of the respondents?

   The anonymity of all the respondents will be safeguarded by concealing the identities of participants in all documents resulting from the research. The researcher will ensure that the information included in the thesis, transcripts and publications does not refer to the participant or the organisation they represent by their real names.

2. Are there any risks (physical or other, including reputational) to respondents that may result from taking part in this research?  YES / NO

   If YES, please specify and state what measures are proposed to deal with these risks.

   No company confidential, financial or sensitive information will be collected.

3. Are there any risks (physical or other, including reputational) to the researcher or to the University that may result from conducting this research?  YES / NO

   If YES, please specify and state what measures are proposed to manage these risks.

   No risks to the University are foreseen.

   The only risk for the researcher comes from the fact that she will be visiting case companies’ sites (offices or plants, shops, etc.).

   Therefore, to reduce any possible risk, the researcher will visit them only during working hours. Additionally, she will let know her relatives where she is going, and whom she will be meeting to conduct interviews.

   If a factory is to be visited, the researcher will make sure to strictly follow all health and safety regulations.

4. Will any data be obtained from a company or other organization YES / NO

   For example, information provided by an employer or its employees. If NO, then please go to question 19.

5. What steps are proposed to ensure that the requirements of informed consent will be met for that organisation? How will confidentiality be assured for the organisation, such that unauthorised persons will be prevented from accessing the data?

   The informed consent of all the respondents will be audio recorded;

   Confidentiality of the participants’ data will be ensured by storing the data at the University Storage system (N Drive) that is private and secure, and by sharing it only with the research supervisors. The data will be destroyed 5 years after the end of the project.

6. What steps are proposed to safeguard the anonymity of the respondents?

   The anonymity of all the respondents will be safeguarded by concealing the identities of participants in all documents resulting from the research. The researcher will ensure that
the information included in the thesis, transcripts and publications does not refer to the participant or the organisation they represent by their real names.

1. Does the organisation have its own ethics procedure relating to the research you intend to carry out? YES / NO (please circle).
   
   If YES, the University will require written evidence from the organisation that they have approved the research.
   
   Not anticipated, however if they have, evidence of compliance with their procedures will be obtained and presented.

2. Will the proposed research involve any of the following (please put a √ next to ‘yes’ or ‘no’; consult your supervisor if you are unsure):

   - Vulnerable groups (e.g. children)? YES YES NO
   - Particularly sensitive topics? YES YES NO
   - Access to respondents via ‘gatekeepers’? YES YES NO
   - Use of deception? YES YES NO
   - Access to confidential personal data? YES YES NO
   - Psychological stress, anxiety etc? YES YES NO
   - Intrusive interventions? YES YES NO

   If answers to any of the above are “YES”, how will the associated risks be minimised?
   
   In case difficulties recruiting companies occur, the researcher may need help from the research supervisors or other academic colleagues in vouching for the researcher and the project value, and thus assisting in the recruitment process. No risks are anticipated.

3. Are there any other ethical issues that may arise from the proposed research? NO
Details of applicant

The member of staff undertaking the research should sign and date the application, and submit it directly to the Ethics Committee. However, where the researcher is a supervised PhD candidate, the signature of the Director of Studies is also required prior to this form being submitted.

<table>
<thead>
<tr>
<th>Name</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Researcher</td>
<td>Iva Atanassova</td>
</tr>
<tr>
<td>Director of Studies</td>
<td>Dr Lillian Clark</td>
</tr>
<tr>
<td>Date</td>
<td>19/12/2014</td>
</tr>
</tbody>
</table>

Approval by Ethics Committee

I/We grant Ethical Approval

FREC

Date

AMENDMENTS

If you need to make changes please ensure you have permission before the primary data collection. If there are major changes, fill in a new form if that will make it easier for everyone. If there are minor changes then fill in the amendments (next page) and get them signed before the primary data collection begins.
CHANGES TO ETHICS PERMISSION

VERSION: ____

Please describe the nature of the change and impact on ethics:

I/We grant Ethical Approval

Please print the name of:  
Researcher: ____________________________   FREC: ____________________________
Signed: ____________________________ (Signed) ____________________________ 
Date: ____________________________ Date: ____________________________

(please cut and paste the next section, together with the heading at the top of this page, as many times as required)

VERSION: ____

Please describe the nature of the change and impact on ethics:
Appendix M: Ethics Committee Approval and UPR16

Sharman Rogers <sharman.rogers@port.ac.uk> 22/12/2014

to me, Lillian

Dear Iva

Ethics Committee has given a favourable opinion on your Ethics application ref. E327 and you can go ahead with the data collection.

Best wishes

Sharman

On 19 December 2014 at 09:21, Iva Alanassova <iva.alanassova@port.ac.uk> wrote:

Dear Sharman,

Please find attached my Ethical review application documents.

The Ethical Checklist has been approved by my supervisor Dr Lillian Clark via e-mail (please see below).

Many thanks and have a Wonderful Christmas and a Happy New Year!

Iva

----------- Forwarded message -----------
From: Lillian Clark <lillian.clark@port.ac.uk>
Date: 18 December 2014 at 09:38
Subject: Re: Ethics checklist signature
To: Iva Alanassova <iva.alanassova@port.ac.uk>

You can put “confirmed via email” for my signature.
**FORM UPR16**

Research Ethics Review Checklist

Please include this completed form as an appendix to your thesis (see the Postgraduate Research Student Handbook for more information)

<table>
<thead>
<tr>
<th>Postgraduate Research Student (PGRS) Information</th>
<th>Student ID: 511 841</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGRS Name: Iva Valentinova Atanassova</td>
<td></td>
</tr>
<tr>
<td>Department: Marketing and Sales Management</td>
<td></td>
</tr>
<tr>
<td>First Supervisor: Dr. Lillian Clark</td>
<td></td>
</tr>
<tr>
<td>Start Date: 30 September 2012</td>
<td></td>
</tr>
<tr>
<td>(or progression date for Prof Doc students)</td>
<td></td>
</tr>
<tr>
<td>Study Mode and Route:</td>
<td></td>
</tr>
<tr>
<td>Part-time</td>
<td>MPhil</td>
</tr>
<tr>
<td>Full-time</td>
<td>PhD</td>
</tr>
</tbody>
</table>

| Title of Thesis: Social Media Practices in SME Marketing Activities: A Dynamic Capability Approach |
| Thesis Word Count: 80,822 (excluding ancillary data) |

If you are unsure about any of the following, please contact the local representative on your Faculty Ethics Committee for advice. Please note that it is your responsibility to follow the University’s Ethics Policy and any relevant University, academic or professional guidelines in the conduct of your study.

Although the Ethics Committee may have given your study a favourable opinion, the final responsibility for the ethical conduct of this work lies with the researcher(s).

**UKRI0 Finished Research Checklist:**

(If you would like to know more about the checklist, please see your Faculty or Departmental Ethics Committee rep or see the online version of the full checklist at: [http://www.ukri.org/researcher/researchethics/researchethics](http://www.ukri.org/researcher/researchethics/researchethics))

<table>
<thead>
<tr>
<th>a) Have all of your research and findings been reported accurately, honestly and within a reasonable time frame?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>b) Have all contributions to knowledge been acknowledged?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>c) Have you complied with all agreements relating to intellectual property, publication and authorship?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>d) Has your research data been retained in a secure and accessible form and will it remain so for the required duration?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>e) Does your research comply with all legal, ethical, and contractual requirements?</td>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>

**Candidate Statement:**

I have considered the ethical dimensions of the above named research project, and have successfully obtained the necessary ethical approval(s).

Ethical review number(s) from Faculty Ethics Committee (or from NRES/SCREC): E327

If you have not submitted your work for ethical review, and/or you have answered ‘No’ to one or more of questions a) to e), please explain below why this is so:


UPR16 – August 2015

Signed (PGRS): 

Date: 10.10.2016
Appendix N: Project Maps

Figure 34 Project Map of Company A
Figure 35 Project Map of Company B
Figure 36 Project Map of Company C
Figure 37 Project Map of Company D
Figure 38 Project Map of Company E
Appendix O: Company B’s Word Trees

Figure 39 Word tree of use of word “loving” in Company B’s social media posts
Figure 40 Word tree of use of word “needs” in Company B’s social media posts
Appendix P: Company C’s Word Trees

Figure 41 Word tree of use of word “children” in Company C’s social media posts
Figure 43 Word tree of use of word “music” in Company C’s social media posts

& chicken & chips ! Call auction and raffle . Celebrate a dog show , arena events , summer great food and prizes ! Ring & ) throughout the evening ! Price : £ 12 . 50 materials were flying everywhere poetry workshops at the prizes . Join us - all the before and after the service could be there -- Christmas is from walkerbroad at , stands sheets , books etc . For UK we were able to were putting on a Showcase

and

music

change , not all

Igloo
delightened with the range

Oct brings another night

party feel - can't wait ! Got

steal the show ! There will
to gigs without need for

course

Holt MBE speaker

day ,

bit of a windy
evening will include a buffet , coming up fast , and

as and BBQ throughout the

of

and

live
Figure 44 Word tree of use of word “Fire Engine” in Company C’s social media posts
Appendix Q: Explore Diagrams: Within-case Analysis

Figure 45 Company A’s Explore Diagram
The diagram represents all the instances of data coded within the unit of analysis Company A.
Figure 46 Company B’s Explore Diagram
The diagram represents all the instances of data coded within the unit of analysis Company B.
Figure 47 Company C’s Explore Diagram
The diagram represents all the instances of data coded within the unit of analysis Company C
Figure 48 Company D’s Explore Diagram
The diagram represents all the instances of data coded within the unit of analysis Company D
Figure 49 Company E’s Explore Diagram
The diagram represents all the instances of data coded within the unit of analysis Company E
Appendix R: Explore Diagrams: Cross-case Analysis

Table 28 Awareness of Organisational Mission, Purpose, Values

<table>
<thead>
<tr>
<th>Awareness of Organisational Mission, Purpose, Values</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
<th>Company E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission, Vision, Values</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The numbers obtained through the use of NVivo software represent patterns in the data and not absolute numbers.
Table 29 Internal Culture Contribution in Assimilation and Sense-Making Process

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3 : 3.2 Internal Culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Figure 50 Explore Diagram Demonstrating Companies that are Willing to Quickly Reconfigure
Figure 51 Ability to Balance Exploration and Exploitation Ambidexterity
Figure 52 NVivo Explore Diagram of Connections Between Fear of Risk
Figure 53 Cross-case Comparison of Number of Coded References
**Table 30 No DCs Realised**

<table>
<thead>
<tr>
<th>DC (Absorptive Capacity) Process</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
<th>Company E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 : NO DYNAMIC CAPABILITIES REALISED</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>2 : Bounded to current routines</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Figure 54 No Dynamic Capabilities Realised**

1 : NO DYNAMIC CAPABILITIES REALISED

- Company A
- Company B
- Company C
- Company D
- Company E
Figure 55 Cross-case Comparison of Companies, Clustered by Word Similarity

[Image of a diagram showing nodes clustered by word similarity with Companies A, B, C, and D labeled.]
# Appendix S: Main Phases of Data Coding

## Table 31 First Phase of Coding

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Sources Coded</th>
<th>Units of Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Background Information</td>
<td>Company and Interviewee Background</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>1.1 Company Background</td>
<td>Company Background</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>1.2 Interviewee Background</td>
<td>Participants personal background</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>1.3 Market Dynamics</td>
<td>Market / Industry context</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>1.4 Prior Knowledge</td>
<td>History of social media adoption and use</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Rebrand</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2 - Recognition &amp; Absorption</td>
<td>First Process of Absorptive capacity development and impeding / enabling conditions</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>2.1 Actors</td>
<td></td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>2.2 Internal Culture</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2.3 Resources</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2.4 Structure &amp; Systems</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Creation of Information visuals content for Social Media</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>External Suppliers</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Skills associated with Social media use</td>
<td></td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Yes, since recently, guidelines, policies</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3 - Assimilation &amp; Sense-making</td>
<td>Second Process of Absorptive capacity development and impeding / enabling conditions</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>3.1 Actors</td>
<td></td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>3.2 Internal Culture</td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>3.3 Performance Measurement</td>
<td>Evaluation and Performance measurement / Technical Fitness</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>3.4 Resources</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>3.5 Structures &amp; Systems</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Conversation</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Identifying Opportunities Threats</td>
<td></td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Internal Communication</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>4 - Exploitation</td>
<td>Third process of Absorptive capacity development: Ability to apply insight into action; DCs realised; Actual changes in operations</td>
<td>10</td>
<td>113</td>
</tr>
<tr>
<td>Better Targeting</td>
<td></td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Bounded to current routines</td>
<td>not willing to quickly reconfigure resources and change</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Collecting feedback developing case studies and raise awareness</td>
<td></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Crowdsourcing Fundraising</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Efficiency in Marketing Operations</td>
<td></td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Employees Recruitment</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Finding Business Partners</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Helped develop their people</td>
<td>talent / expertise acquisition</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Helped inform themselves about news</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Intangible resources, skills developed or acquired</td>
<td></td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Learning and Adaption</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Ongoing Learning from Social Media for their products development</td>
<td></td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Personalisation</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Pictures Love Southsea</td>
<td></td>
<td>1</td>
<td>112</td>
</tr>
<tr>
<td>Pivotal for the entire company business model</td>
<td></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Product updates, modifications</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Relationships</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Selling</td>
<td>Reaching their audience and selling</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Social Media Importance &amp; Contribution to Marketing</td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Strategic benefits (capabilities, differentiation)</td>
<td></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Struggling with changes</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>They haven't realised this potential until now</td>
<td>haven't seen Social as a source of knowledge but only as a sales tool</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Very Trustworthy</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>VRIN</td>
<td></td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Balance between Exploration &amp; Exploitation Ambidexterity</td>
<td>Real Time Quickly Process Information to match clients' needs as soon as they arise</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Changes in Practices following the interviews</td>
<td></td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Something that you want to say that I didn't ask</td>
<td></td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Second Phase of Coding - Data Reduction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Description</td>
<td>Sources Coded</td>
<td>Units of Meaning Coded</td>
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<tr>
<td>1 - Background Information</td>
<td>Company and Interviewee Background</td>
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<td>87</td>
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<td>1.1 Company Background</td>
<td>Company Background</td>
<td>10</td>
<td>45</td>
</tr>
<tr>
<td>1.2 Interviewee Background</td>
<td>Participants personal background</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>1.3 Market Dynamics</td>
<td>Market / Industry context</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>1.4 Prior Knowledge</td>
<td>History of social media adoption and use</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Recent Changes in their Business Practices</td>
<td></td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>2 - Recognition &amp; Absorption</td>
<td>First Process of Absorptive capacity development and impeding / enabling conditions</td>
<td>12</td>
<td>102</td>
</tr>
<tr>
<td>2.1 Actors</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2.2 Internal Culture</td>
<td></td>
<td>11</td>
<td>63</td>
</tr>
<tr>
<td>2.3 Resources</td>
<td></td>
<td>5</td>
<td>23</td>
</tr>
<tr>
<td>2.4 Structure &amp; Systems</td>
<td></td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>3 - Assimilation &amp; Sense-making</td>
<td>Second Process of Absorptive capacity development and impeding / enabling conditions</td>
<td>8</td>
<td>70</td>
</tr>
<tr>
<td>3.1 Actors</td>
<td></td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>3.2 Internal Culture</td>
<td></td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>3.4 Resources</td>
<td></td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>3.5 Structures &amp; Systems</td>
<td></td>
<td>6</td>
<td>32</td>
</tr>
<tr>
<td>3.3 Performance Measurement</td>
<td>Evaluation and Performance measurement / Technical Fitness</td>
<td>18</td>
<td>153</td>
</tr>
<tr>
<td>Challenges</td>
<td></td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Criteria for performance measurement</td>
<td></td>
<td>6</td>
<td>23</td>
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<tr>
<td>KPI are set up with external supplier and evaluated at the end</td>
<td>No criteria for performance management</td>
<td>18</td>
<td>119</td>
</tr>
<tr>
<td>No evaluation, No KPIs</td>
<td></td>
<td>18</td>
<td>119</td>
</tr>
<tr>
<td>4 - Exploitation</td>
<td>Third process of Absorptive capacity development: Ability to Apply Insight into Action; DCs realised; Actual changes in operations</td>
<td>30</td>
<td>218</td>
</tr>
<tr>
<td>Balance between Exploration &amp; Exploitation</td>
<td>Real Time Quickly Process Information to match clients</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Employees Recruitment</td>
<td></td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Finding Business Partners</td>
<td></td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>LS. Market America's Cup Fb Event</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>NO DYNAMIC CAPABILITIES REALISE</td>
<td></td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>VRIN</td>
<td></td>
<td>25</td>
<td>173</td>
</tr>
<tr>
<td>5. Something that you want to say that I didn't</td>
<td></td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Exploiting new routines is more important</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Favour Exploitation over Exploration</td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Gradual iterations</td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Only LinkedIn helps find new customers</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Post-Interview realised capability</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Realised the value of Social during interview</td>
<td>havent seen Social as a source of knowledge but only as a one way communication and sales tool</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Selling</td>
<td>Reaching their audience and selling</td>
<td>4</td>
<td>8</td>
</tr>
</tbody>
</table>

399
### Table 33 Third Phase of Coding

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Sources of Coding</th>
<th>Units of Meaning Coded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Company Background</td>
<td>Company Background</td>
<td>10</td>
<td>49</td>
</tr>
<tr>
<td>1.3 Market Dynamics</td>
<td>Market / Industry context</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>1.4 Prior Knowledge</td>
<td>History of social media adoption and use</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Daily Use of Social Media (2)</td>
<td></td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>2.1 Actors</td>
<td>First Process of Absorptive capacity development and impeding / enabling</td>
<td>12</td>
<td>155</td>
</tr>
<tr>
<td>2.2 Internal Culture</td>
<td></td>
<td>11</td>
<td>75</td>
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<td>2.3 Resources</td>
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<td>2.4 Structure &amp; Systems</td>
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<td>3.1 Actors</td>
<td>Second Process of Absorptive capacity development and impeding / enabling</td>
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<tr>
<td>3.2 Internal Culture</td>
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<td>3.3 Performance Measurement</td>
<td>Evaluation and Performance measurement / challenges</td>
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<td>3.4 Resources</td>
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<tr>
<td>3.5 Structures &amp; Systems</td>
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<td>4 - Exploitation</td>
<td>Third process of Absorptive capacity development: Ability to Apply Insight into Action; DCs realised; Actual changes in Balance between Exploration &amp; Exploitation Ambidexterity</td>
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<td>Employees Recruitment</td>
<td>Real Time Quickly Process Information to match clients' needs</td>
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<td>Finding Business Partners</td>
<td>for people that could help them</td>
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<td>LS Market America's Cup F1h Event</td>
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<td>VRIN</td>
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<td>Something that you want to say that I didn't ask</td>
<td>Nova dynamic capability it's promising</td>
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<td>Exploiting new routines is more important</td>
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<tr>
<td>Favour Exploitation over Exploration</td>
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<td>Gradual changes</td>
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<td>Only LinkedIn helps find new customers</td>
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<td>Post-Interview realised capability</td>
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<td>Realised the value of Social during interview</td>
<td>haven't seen Social as a source of knowledge but only as a one way communication and selling</td>
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<tr>
<td>Selling</td>
<td>Reaching their audience and selling</td>
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