Chapter 32
Micro Organization Use of Social Media for Business-to-Business Customers

Lisa S. Rufer
Rider University, USA

Rosalyn J. Rufer
https://orcid.org/0000-0003-4659-9699
Empire State College (SUNY), USA

Savita Hanspal
State University of New York at Potsdam, USA

ABSTRACT

Marketing communications have evolved on account of development of greater interaction between organizations due to the availability of new electronic media. Much has been written about the effect of these new communication channels and how they can be used to retain consumers. However little evidence has been presented to show how these channels of communication are used by smaller organizations, particularly when serving business to business customers. This research builds on earlier exploratory work of Brink and Atanassova and Clark to provide empirical evidence of the importance of social media usage for small organizations when serving business customers. However, unlike Brink, this research separates small firms from medium size organizations and focuses on the subcategory of micro organizations (fewer than 50 employees).

INTRODUCTION

Micro Organizations Use of Social Media for Business to Business Customers

The availability of new electronic media has had a profound impact on marketing communications that has led to the development of greater interactions between business organizations. This technology has created a marketing environment where barriers to communications have been broken due to the emergence of several options for speedy communication channels that has increased firm competition. Today, the firms must not only consider traditional media and forms of communication but also allocate their communication budgets to reach customers through the new and emerging media (Agnihotri, Dingus, Hu, & Krush, 2016). Prior to these developments, smaller organizations have had to balance their limited resources when designing their integrated communication strategies. They were unable to grow their business, increase their reach to the customers, or manage their customer relationships as they lacked the resources to hire employees on a large scale to manage these functions efficiently and effectively. E-commerce has brought about the possibility of handling many marketing and communication tasks without requiring the resources previously thought necessary. The competitive advantage of larger organizations in being able to communicate on a large scale because of their resources, appears to be compromised as the smaller organizations and businesses have started realizing the potential offered by social media and e-communication channels. With the increased use of e-channels of communication, it is proposed that the competitive gap caused by limited resources between the larger and smaller organizations has been reduced.

Micro organizations typically have the fewest resources because of their size. For the purpose of this study, micro organizations are defined as those with less than 50 employees and are typically associated with entrepreneurial organizations. A number of studies have looked at how these smallest organizations contribute to economic growth (e.g., Chovancová, Nedu, & Ogbonna, 2015; Jha & Depoo, 2017; Reddy, 2007; Toma, Grigore, & Marinescu, 2014). The ability of these micro organizations to create sustaining relationships with their business to business customers has become increasingly important in many regions of the world as a pathway to economic growth (Collins & Reutzel, 2016; Stel, 2006). Similarly, much has been written about the effect of these new communication channels and how they can be used to retain consumers. However, little evidence has been presented to show how these channels of communication are used by smaller (micro) organizations, particularly, when serving business to business customers. The research presented here, builds on the earlier exploratory work of Brink (2017) and Atanassova and Clark (2015), which provides empirical evidence on the importance of social media usage for small organizations when serving business customers. However, unlike Brink (2017), this research separates small firms from medium size organizations and focuses on the subcategory of micro organizations (less than 50 employees).

Brink (2017) states that because of the limited resources of small and medium size organizations, they have more often used social media in B2C (serving consumer markets) communications than B2B (serving business customers). This conclusion by Brink (2017), was based on findings from the literature and a case study combining small and medium size firms, without looking at the most entrepreneurial firms, the micro organizations. Brink (2017) found the digital networking media used by small and medium size enterprises (SMEs) play an important part in the performance of the organization, as defined by their ability to form sustaining relationships. These customer relationships have been shown to be critical to the performance of the firm (Battor & Battor, 2010). Furthermore, communication strategies

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