

Role of social networking in promoting entrepreneurship: A theoretical Perspective

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Abstract

Each and every individual aspires to be successful his life and they all work hard to make this dream true, each one has different and some of them decides to become an entrepreneur. Though, this is not very easy to become an entrepreneur as it sounds, lots of efforts, resource and finance like manpower and technology are all required. In order to collect and gather all the necessary requirements that are mentioned here, the entrepreneurs today are trusting social networking sites and relations to have access to details that ultimately takes them to the resources through social network. These social network is very helpful for the stability of the entrepreneurs these days, they assists them in getting access to information, finance, knowledge, markets, insights and many more. These social networking is used to promote the business and services and they providing moral support also. Since these social networks are very flexible, they can be used as per the needs and requirements of an individual entrepreneur.

Keywords: Social Networking, Entrepreneurship, Promotion, Entrepreneurs

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Introduction

There are so many studies that are conducted on the field of entrepreneurship and are contributing generously to the public about the goals, policies, resources, finance, and strategies to promote the business. They are also helping to know about the “economic growth, creation of employment, innovation in technology, enhancement of productivity and structural realignments.” There are so many information and details can be attained from these studies and particularly the importance and role of social networking and the contacts that are proved to be very helpful and important for the entrepreneurs irrespective of their “gender, and ethnicity.” There is another perspective of entrepreneurship where it shows that it is surrounded by the network and continues to be there with social networks and relations. It is also seen from the studies that these network relations are complicated but it can facilitate the entrepreneurs and also control the linkage amid entrepreneurs, resources, and opportunities. The key advantage of the social networking to an entrepreneur is that it allows the access for the information that it provides and also advice for the better establishments of the entrepreneurs and their ventures. In terms of entrepreneurship these social capitals are intangible assets and resources that are obtained by the entrepreneurs and it provides in the form of contacts with which the entrepreneur is associated by their respective social structures. “Information, skills, man power, capital and some other resources” are need to be required by an entrepreneur to start with, there are so many of them are there with entrepreneur and other things they look for through social networks. The contacts or the

person that helps the entrepreneur to achieve his or her goal in turn becomes social capital for that individual entrepreneur and for his or her business too. **Subrahmanyam (2019)** found that social capital helps the entrepreneurs during their phases of business establishment and also keep on contributing to their success in later stages of their business. The activation and utilization of the social networking are very useful and fruitful in the initial phase or in the phase of innovation as compared to the later stages. The study also concludes that for the entrepreneurs it is good to activate and utilize the social networks in all the stages of the business as it promotes the business at a very high speed. Social capital is the gain that is achieved through the relationships that are activated through social networking. The resources that are offered through social networks are “information, ideas, business opportunities, financial capital, emotional support and many more.”

Digital entrepreneurship is one of the important drivers within the system of innovation. The structures, goals, and the mechanism of networking for all the systems of the business are changed in digital entrepreneurship and finally different levels and the dimensions of the system of innovation are also affected. The digital technologies bring expected changes to the system of innovation and also provide new opportunities to the business and at the same time it also allows to be disruptive and cause new vulnerabilities. It is considered that “social

media” and “big data technologies” are the key forces that bring changes in the model framework of the business by the generation of appropriate information for the entrepreneurs (**Bouwman et al., 2018**). The millions of users that are interacting in the virtual world are accepting social media platforms like Facebook, Snapchat and Instagram as an vital part of their day to day lives. The cultural landscapes are dominated by these new ways of communication and they are also having a huge impact on the way of business of these users. Therefore, in modern life, these platforms of social networking are considered as one of the most effective and influential method of communication and interaction. At the same time, there is a rapid development of technology and competition between the businesses that shows that the business community is always there in search of new and latest methods by which they be distinguished by others. The age of internet has facilitated the process of social networking and increased the use of digital platforms. Businesses have been motivated to get them engaged with various segments of business and adopt different innovative modes of interaction. Excellent results are been returned to the entrepreneurs by these social media platforms and they are also helping them to capitalize by investing in the social networking platforms (**Helal et al., 2018**). There are groups that are represented by “Blogs, social networking sites, content communities, virtual worlds, or collaborative projects” where the contents are generated and distributed internally and also outside by specialised practices and now days the entrepreneurs are adopting this social mechanism so that they connect with their clients. It means that by this customer engagement the companies are now starting to build up a reliable relation with their clients that remains durable and popular also. It is seen that at present nearly all the entrepreneurs and business are engaged in communication through social networking (**Cheng & Shiu, 2018**).

Number of studies has revealed that there are so many motives among the companies to make the use of social media, prominent companies are practicing social media networks to interact and communicate with international clients and network as well. Therefore, it is said that number of interactional advantages and results are offered by the social media that was tough to attain at previous time. Innovative methods of sharing the knowledge are facilitated by social networking and it is a new way of reaching to the users that are geographically isolated. It is proved that co-operative activities of the entrepreneurial companies and their associates by two way communication through platforms of social media is very productive and profitable (**Gavurova et al., 2018**). The evolution of “social media” has accelerated “The co-creation of new products, facilities, concepts, and the systems.” At present, the world of business is intensely spending on the tools of social media like “social networking sites, content communities, and collaborative projects” (**Islam and Chitran, 2019**) and therefore it is not surprising that the number of stake holders are rising when it is discussed in terms of organisations.

Review of Literature

The increase in social media and networking has brought in changes in the entrepreneurs and their methods to carry their day to day activities. The entrepreneurs are now using these social media platforms for their

“business networking, for searching the information and also for crowd funding” in their business and due to this they had a significant impact that shows increase in improvement in the performance of the firm and enhancement in the innovations as necessary outcomes. There is an agreement between the “roles of social media for searching” and “networking by entrepreneurs” but now it is harnessed for creating values for their business. It is seen that “Facebook” is more dominant as compared to “Twitter” and “Instagram” in the social media platforms to receive attention (**Olanrewaju et al., 2020**). The companies (small or big) that would like to interact and build relation with their clients and customers are seriously taking the observable fact of increase of social media users and the power of social media also. It is important for an individual to take a decision for the extent that they want to invest in the sites of social networking and after knowing the facts the ratio of the social networking sites and other integral tools in the business should be decided. It is indicated by the study that social networking sites like “LinkedIn” are contributing to the success of entrepreneurial business and it is also found that the sites of social networking are the main tools that are effectively used by the entrepreneurs that are planning to have a profitable business (**Kakish & Al-Haddad, 2018**).

Social media networking allows their new customers to approach different companies and also promote their local business by providing them their targeted areas. The study had shown that the youth models of approach has been changed to learning and skill development by these social networking and they also select the mode of communication with other and in turn they help the entrepreneurs in reaching the youth and interact with them within the social network. The entrepreneurs should be smart enough to use these social networking sites correctly and effectively so that it becomes fruitful for the success and profit of their business. The sites of social networking are increasing awareness, queries, and the relation between the customers and the entrepreneurs. Social networking not only increase the business but it is the method of operating the business that is implemented in the utilization of social networking sites and is affecting the financial performance of the business.

The exploitation of “Facebook” is leading the SMEs towards a strong and positive impact on the financial performance. **Ainin et al (2015)** found in their study that there is a significant impact of “Facebook” usage on the non financial performances of SMEs like “diminishing the cost on customer service and marketing, fortifying customer relations in addition to boosting information accessibility.” When in the year 2006, “Facebook” has started opening its door for everyone “Twitter” has been launched and it has started gaining more popularity due to the reason that it is offering more different options like “micro blogging” and also it is very popular among the celebrities. The users of the “Facebook” are now using this platform mainly to promote their business. The risks are taken up by the media entrepreneurs in their entrepreneurship as they are exploiting the opportunities by the innovative use of resources in transforming an idea into action to offer values in the form of media that fulfil the requirements of a particular portion of the market. **Zaheer et al (2018)** found in their study that the tendency of media entrepreneurship is emerging among the youngsters that are driven by the opportunities, are of young age, and are well educated. Along with these they had the ability to attain the benefits and the advantages from the social network.

The users of social media are increasing every day all over the world and due to this the opportunities for the media entrepreneurship is also tremendously increasing day by day. the most popular social media platforms that are commonly used by most of the internet users are “Facebook,” “YouTube,” “WhatsApp,” “Facebook Messenger,” “We chat,” “Instagram,” and “QQ.” There are so many studies that are conducted to discuss the benefits of “Facebook” and the opportunities that are offered by this social media platform. It is used by its users and the entrepreneurs as a tool to increase the brand value of their organization and there are number of entrepreneurial activities that are conducted on this social media platform because this network is popular and the process of identification is very easy here. This is effective because it is easy for the online buyers to rely a known individual which is there in their social network as compared to that who is regular seller on the online platforms. **Nambisan (2017)** believes that with the rapid advancements of social media and the social networking the digital entrepreneurship is emerging and inspecting the part of technology and entrepreneurship and this is because the “mobile devices” these days are very much available at the affordable prices. The social media is comfortably used by their users due to technological advancements and also because the devices are now very handy, affordable,

light weighted, multi functional and last but not the least they are very user friendly. It is the fact that the people every time they visit a social media platform is not there to buy any product but during his or her social media activity they gets attracted by the advertisements and the offers that are thrown by the entrepreneurs that are using the social media platforms to sell their products and promote their business and like this the social media platforms and the social networking is playing a significant role in promoting the entrepreneurship and helping the entrepreneurs to promote their business.

Start ups are associated to the weakest groups of small and medium sized ventures. It is assumed by the researchers that the “position in the market” and the “quality of relation” affects the opportunity of the entrepreneurs to attain and use the resources that are essential to initiate a business and for its growth also. The strong and weak both the ties are used in the establishment and the development of a start up business. Most useful and important group of contacts includes the friends for “customer acquisition, product/service development, technology, and legal advice,” business angles for “fundraising, technology advice, marketing advice,” and the business partners for “customer acquisition, technology advice, and new opportunities search.” The advice can be given to the incubators and the accelerators to consider the offering programs that may fulfil the requirements of the start ups in much better way and also helps in increasing the perceived benefits particularly in networking with some partners from outside. According to study of **Durda & Ključnikov (2019)** these steps are very difficult as per the requirements of a start up which is different with different case. The process of the step will be different for an individual and will be according to the possibilities of the incubators and the accelerators. There are so many formal networks like investors and incubators that assist these start ups in their concept step and these networks are playing a key role in the globalization of these firms and start ups. The networking within the so called KIT networks that includes “key knowledge, innovation, and technology networks” is very important in case of academic technological spin off start ups, they start promoting these start ups even before they are established. These firms are getting attention as the incubators and the university’s network are allowing the get the capital that includes financial capital from the investors and capitalists from other ventures, access to information and resources for globalization, insubstantial resources are also enabled. **Ključnikov et al (2017)** found in their study that the networks from the social media platforms and the support from the network members are the crucial factors that work very good for the environment of quality business

and the social networking activities and the partnerships are strongly influenced by the infrastructure of the business.

There is a rapid advancement in the strategies of marketing and in this scenario the marketing through social media is now one of the common and important aspects to promote the business. The entrepreneurs and other established companies are provided with wide range of customers through social networking sites and that too on the lower cost. Therefore the companies are now searching different tools for catering and satisfying the needs of the customers on the platforms that are commonly used by their customers. It is also important for the business and the companies to be very careful and smart with their contents that they are displaying on these social media platforms. They should not be very preachy because it may be possible that these kinds of contents can frustrate the customers. The businesses are now adopting the social media analytics so as to observe the quantitative specifications of their clients and the consumers. These practices are helping the companies to design their strategies to promote their products and services and also to acquire more and more new customers and maintaining the relation with their existing customers as well. **Bhosale & Phadtare (2020)** concludes in their study that in order to survive in the market, it is very important for small business enterprises to accept and adapt new and latest technologies that are coming in the market. It is seen that some of the biggest targets (Increase Brand Awareness, Increase Community Engagement, Increase Website clicks by increasing Traffic Generate Sale/ Leads, Share and Distribute content, Increase Brand Advocacy from customers Customer support, Grow their own Influencer Marketing Program.) can be achieved by the small companies with the help of social media platforms and networks.

In the present time, in the all the service and the public sectors, social entrepreneurship is found to be one on the most important fields or in social terms “social entrepreneurship” is just like poverty and hunger. There are so many convincing life stories of social entrepreneurship where the people are getting progress against the issues of poor living and sickness which is a popular issue of the whole world. This is an opportunity of living and money for the people that are poor and represents high level of social issues. In

the social entrepreneurship and in the small businesses the social things like the individual had to struggle to maintain and manage the small business with more number of varieties in the business as compared to others. There is a need to perform and manage these challenges that are changing every day all over the world and the most crucial part in social entrepreneurship is to make analysis of very high level quality according to the demand of that particular

sector. This process is so fast that all the other analysis like education department of “tenure” and “recognition” are all affected (Agustina et al., 2020). The social networking and the social networking sites are allowing the organizations and also to the individuals to have a good communication relation with others and build up a bond between them. It also allows the customers to directly interact with the companies and the entrepreneurs about their products and services and satisfy their needs and doubts.

Conclusion

The social network and the social media platforms allow their users and the entrepreneurs to interact with other and made offers to reach and engage with their consumers. There are so many social networking sites that are commonly used these days for the promotion of the business by the new entrepreneurs and the existing established ventures as well. It is the widely accepted platforms for the sellers and the buyers both. The cultural landscapes are now being dominated by these new ways of interaction and it is showing a huge impact on doing the business. Therefore, now days the social networking sites are now becoming the most effective and persuasive interactional platforms where the products and services are being promoted by the entrepreneurs at a much lesser cost. The way of interaction and communication between the marketers and the consumers has been intensely changed by the social networking platforms. The functioning of the business is been altered by the recent spectacle called social media and social networking sites. Now, the entrepreneurs are capable enough to get their core resource that is very tough in the earlier times. There is a great support of social networks in increasing the value of the business and it also allows the organization to foster tactical partnership. Social networking is helping the entrepreneurs to establish new interaction and communication relation with their customers and the traders. Although the universal acceptance of the social networking is increasing but its practice for the management settings is new and tough as compared to other mediums. At present, these social networking platforms are been harnessed by the entrepreneurs to fulfil the crucial roles for their business because these platforms are permitting the traders to have an existence in the online space that are occupied by their clients and other stake holders. In the world of business the spent time with the social media tools like “social networking sites, content communities, and collaborative projects” is been intensified and at the same time the number of stake holders are also increased which in turn making the social media platform an organizational platform for the businesses.

At present, the promotional practices mainly include sharing of post, forming a promotional “page,” maintaining the online presence so as to attract the customers and the followers as well. Social networking is now becoming very useful for sustaining the community relations and it also leads to market investigation as well as it provides buyer support and hosts customer’s reviews and the feedbacks.

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