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The Influence of Social Media on Entrepreneur Motivation and Marketing Strategies in a Developing Country

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Abstract. Entrepreneurs are increasingly using social media in running their businesses. This phenomenon is remarkable especially in developing countries where entrepreneurs now exploit business opportunities by using cheaper platforms. Prior studies claim that social media plays a crucial role in establishing a business and ensuring its survival through effective marketing. However, from the context of developing countries, limited research has sought to understand the role of social media in motivating entrepreneurs to start and market their businesses. This current study seeks to investigate this issue through a field study comprising interviews with Nigerian entrepreneurs. The research explores how social media shapes Nigerian entrepreneurs' motivation to start a business and how they market their businesses via social media. It was found that most of the entrepreneurs interviewed were opportunity-driven rather than necessity-driven due to opportunities afforded by SM. Furthermore, entrepreneurs devised several social media marketing approaches across different platforms to reach their audiences.

Keywords: Entrepreneur, social media, SMEs, necessity-driven, opportunity-driven, marketing, developing country, Nigeria

1 Introduction

Social Media (SM) has grown by leaps and bounds in recent years. The use of SM is redefining business creation [1] and business marketing strategies [2]. Its use has made easier for entrepreneurs to advertise and sell their products [3]. Studies have explored the role of SM in marketing highlighting its use for customer relationship management, advertisement and building brand awareness [2, 4].

In developing countries, studies have identified that entrepreneurs start their business primarily out of necessity (necessity-driven) [5, 6]. The advent of SM has allowed for the creation of new businesses [3] by entrepreneurs in developing countries. However, the influence of SM and digital tools has been overlooked in research to date regarding its possible influence on entrepreneur motivation in starting their business. The importance of SM cannot be overemphasised. In Nigeria for example,

digital platforms such as SM boosted Small to Medium Enterprises (SMEs) trade by around 27% between March and May 2017 due to recognition of new opportunities [7], and can thus serve as an avenue for enhancing opportunity-driven entrepreneurship. In addition, SM can serve as an avenue where they can effectively market their products and reach out to their potential clients, therefore encouraging business creation and supporting business survival and growth.

Social media is actively researched in the academic literature with most studies examining its usage and its impact on firm performance [e.g. 8]. Current research focuses on the role of SM role in establishing and marketing business in developed as opposed to developing countries [4]. This research seeks to extend the current literature through the provision of a case from a developing country. To achieve this, interviews were conducted with eleven Nigerian entrepreneurs. The research explored how SM influenced each entrepreneur's motivation for establishing a business and the SM marketing strategies they used.

The rest of this paper is structured as follows. A background of the literature is provided in the next section followed by the research method used. The results of the research are then presented. The implications of the findings and future work are then discussed.

2 Background

Earlier research has identified entrepreneur motivation for starting a business as either necessity-driven or opportunity-driven [5, 9]. *Opportunity-driven entrepreneurship* involves becoming an entrepreneur due to a "pull"; where a venture is started based on an unexploited or underexploited opportunity [6], or as a career option driven by choice [6, 9]. On the contrary, *necessity-driven entrepreneurship* involves been "pushed" into becoming an entrepreneur as a last resort. This may be due to the inexistence of a job or absence of a better alternative; both scenarios are more prevalent amongst developing countries [6, 10]. However, an emerging line of research has challenged this categorisation by identifying that the motives complement each other and may further evolve [e.g. 11]. Recent research in developing countries especially in sub-Saharan Africa [e.g. 10, 12] has identified that entrepreneurs cannot be strictly categorised as either necessity-driven or opportunity-driven. Moreover, with the advent of SM, entrepreneurs can identify opportunities [8, 13], which can lead to business creation that is not solely necessity-driven and thus further the understanding of business motivation regarding innovations like SM.

SM marketing has been actively studied recently culminating in several review papers and theoretical frameworks on the topic [e.g. 2, 4, 14]. SM is playing a massive role in influencing the marketing landscape by enabling transition away from traditional media to focus on digital marketing. SM marketing can improve the visibility of the business. Increase in visibility has been a primary reason for social media use by entrepreneurs which leads to attracting new customers and an increase in sales [15, 16]. Moreover, it supports CRM where relationship with customers is improved [15, 17]. This is done via entrepreneur activities on SM platforms such as posting contents

relating to customer endorsement, promotion and business activities [18, 19]. However, majority of the studies had been conducted in developed countries [4] and it will be vital in understanding how entrepreneurs in developing countries utilize SM for marketing.

In SM and entrepreneur research, majority of the studies have been geared towards understanding factors that drive SM adoption and its impact on firm performance. SM marketing has been studied by previous research where its impact on firm performance has been evaluated [e.g. 19, 20] or as an outcome of SM use [e.g. 8]. Recent review papers on SM marketing [e.g. 2, 4] has aimed at exploring research on SM marketing, [4] identified on the need to explore the effectiveness of different platforms with respect to SM marketing which will be vital in theory building.

3 Research Method

Creswell [21] suggests that employing a qualitative approach is beneficial in exploring an area where little is known. In a bid to further understand how SM influences entrepreneur motivation and how they carry out their marketing activities on several SM platforms, an interview-based exploratory study was carried out.

A total of eleven interviews were carried out with Nigerian entrepreneurs which suffices to achieve deep insights to the research been investigated [22]. The respondents were identified by using a purposive and snowball sampling approach based on similar criteria used by [23, 24]. The criteria specified that the entrepreneurs should be present and active on at least one SM platform (Facebook, Twitter, Instagram, and LinkedIn), they have business-to-consumer oriented company, less than 20 employees and are either in the e-retail or service industry. The criteria were used to be sure that respondents are in the best position to talk about what is under study [25]. A semi-structured interviewing approach was made use of where probes into the question were done when there is need to clarify information. The interview was done in English and transcribed by the researcher.

In analysing the data, the interview was transcribed and returned to the respondents to ensure that they were not misrepresented. This was followed by an initial reading of the interview transcripts to have an overall knowledge of the contents. The transcripts were then analysed in Nvivo11. The transcriptions were classified into emerging themes [26] that were related to business motivations, SM marketing strategies and the difference across several platforms. The findings from the interview were then supported by the observations of the respondents SM platforms usage for their business.

4 Findings

Eleven Nigerian entrepreneurs were interviewed in this current study. A profile of participants is provided in Table 1. Three of the interviewees had more than one business with varying establishment dates. The interviews explored how SM influenced the Nigerian entrepreneurs to establish a business and how they used these tools for

marketing purposes. The results are presented in the following section. Overall, we identified how SM influences entrepreneur motivations and how they used it for marketing which will be discussed in subsequent subsections.

Table 1. Respondent profile.

Code	Business sector	Established	Platforms used
NGR1	E-tailing (Food)	2016	Facebook, Instagram, Twitter
NGR2	Service (Editing)	2009	Facebook, WhatsApp, Twitter, LinkedIn
NGR3	E-tailing (Fashion)	2016	Instagram and Facebook
NGR4	Service (Technology)	2012, 2016	Facebook, Instagram, Twitter
NGR5	Service (Technology)	2012, 2016	Facebook, Instagram, Twitter
NGR6	Service/ E-tailing (Marketing/Beauty)	2011, 2016	Facebook, Twitter
NGR7	E-tailing (Fashion)	2016	Instagram, WhatsApp
NGR8	E-tailing (Confectioneries)	2015	Instagram, Facebook
NGR9	E-tailing (Fashion)	2011	Instagram, Facebook
NGR10	Service (Beauty)	2013	Instagram, Facebook
NGR11	Service (Photography)	2015	Instagram

4.1 Motivation

The entrepreneurs felt that SM is a vital driving force for their businesses. SM play a crucial role in creating and running the business. Specifically, SM supports the entrepreneurs to discover and develop relationships and ideas for their businesses. Some respondents felt that without SM, they would not be in business. NGR5, for instance, stated that *"… without SM I do not think I will be able to run any of these businesses successfully …. SM is basically 90% of our business."*

The motivation to start a business of the respondents was found to be mostly opportunity-driven (9 of the respondents) with two being necessity-driven. The opportunities were borne out of personal hobbies or problem they tried to solve, and also based on challenges or opportunities posed by society. For example, NGR1 started his business around a challenge he faces which entails ordering food from restaurants at his convenience. SM motivated him starting the business by allowing him to validate the idea with others across several. NGR11 started his photography business based on passion which was driven by SM ability to allow him showcase his works; after which the money motivation factored in. NGR2 and NGR6 also founded their business around their passion where SM plays crucial roles for example for setting them up for customer acquisition and market exploration.

Other entrepreneurs founded their business based on societal opportunities and challenges. They used SM to solve societal problems that were pertinent to average

citizens. For example, NGR4 developed a business leveraging SM crowdsourcing to tackle traffic congestion in the most populated state in Nigeria. A former governor of the state acknowledged their efforts. In addition, NGR3 aimed to promote the Nigerian economy and a green environment through manufacturing based on local raw materials. In the case of NGR5, his businesses were established around reducing online fraud in the entertainment industry and also improving the gambling sector.
As stated earlier, two of the respondents motivation was necessity-driven. Necessity was highlighted by previous research as push factors such as the need to survive or earn more [6, 10]. For NGR9, it was the scarcity of white-collar jobs, while NGR7 established her business to earn more money. Based on the respondents, it is seen that majority of the entrepreneurs were opportunity-driven as SM affords them the ability validate, establish and run their business which would not have been possible in SM absence.

4.2 Marketing Strategies

From the interviews, several marketing strategies were uncovered through which their business was promoted, and customers were acquired. The majority of entrepreneurs advertise their products on SM platforms while some use offline platforms alongside. They use SM heavily use because of its ability to reach out to a large number of people and offers a level-playing ground for the entrepreneurs to compete with established brands despite their meagre resources. NGR5 made this argument when he said*"…the only way we can actually compete in the game is by focusing online and getting customers via online, and online is cheaper. …. But the thing for a small business, I think you will get more traction and customers on SM because it is cheap"* NGR5.

Online advertisement includes the use of SM platforms to promote a product to clients either through paid adverts or organically (i.e. without payment). All the respondents used an organic approach to reach their customers. This was achieved by posting their products on SM and by using SM hashtags to reach a broader audience. The shortcoming of the organic approach is its inability to reach a wider audience, beyond their current customer base. Consequently, five respondents made use of paid advertisements. For instance, NGR5 felt it was cheaper than the offline advertisement; while NGR8 uses paid advertisements occasionally based on need.

Influencer marketing involves entrepreneurs using influencers such as famous artists or people to advertise their brands on their respective SM handles. This practice was highlighted by NGR5 *"…influencer(s) are people with over 1million followers, those are the people we target… They are SM authorities and what they tell their fans is what the fans do. We use celebrity influencers too, we use celebrities to sell our product."* Other interviewees including NGR6 found influencers to be very useful. However, the shortcoming of this approach was highlighted by NGR8 and NGR9 who felt that it reduced the trust of clients in other businesses that did not use celebrities to advertise their products. Primarily, businesses that did not use influencers were placed at a disadvantage

Collaborative or cross-marketing can be described as a strategy where different entrepreneurs promote each other on their respective SM handles to reach out to a broader audience. This can be seen as a means of support for each other and enhance their outreach with little or no cost. In some instances, cross-promoted products may be complementary. Six respondents used this approach with NGR10 describing it as *"you rub my back I rub yours"* where both parties profit. NGR5 further explained by saying *"Sometimes we do cross-marketing, we tell them to post our logo on their page and tell their followers to follow us and we would equally do the same thing with our followers too."*

Some interviewees used offline advertisement to supplement their online presence and advertising. For most of the respondents, it was the first marketing strategy they used before moving on to SM. Most respondents relied on word of mouth marketing from family and friends, who referred their business to people in their social network. The role of SM in the referral procedure was interesting. For several respondents, SM served as a credibility checker; an entrepreneur portfolio that showcased them to the prospective clients amassed via referrals. The respondents were able to make optimal use of SM for their marketing activities and reaching out to their clients despite their limited resources.

4.3 Marketing Behaviours Exhibited on SM Platforms

The entrepreneurs used Instagram and Facebook more than Twitter. These platforms were selected based on criteria including age range of the target market, business type and purpose of use. Table 2 summarises the respondents perception about the various platforms.

Table 2. SM platform use and affordances.

	Facebook	Instagram	Twitter
Audience demography	All ages	Youth	Youth and adult
Perceived benefit	Brand awareness and fruitful engagement	Brand awareness and sales	Brand awareness and credibility
Frequency of sales and marketing posts	Medium	High	Low
Content posted	Text/ images	Images	Text
Post source	Fed from Instagram	Primary	Fed from Instagram
Data consumption	Low	High	Low
Use for paid advertisement	High	High	Medium

The respondents used several platforms for different purposes as characterised by NGR5:

> "*We use them for different purposes basically. Facebook is just for awareness, is just for people to know that we have a particular show, that we are doing this and that. Twitter is just for credibility, so people can actually see that we are credible… Instagram is meant for marketing basically to get customers; of course we get customers from Twitter and Facebook but not as much as Instagram.*"

Virtually all of the respondents that made use of Instagram also used Facebook and vice-versa. This can primarily be traced back to the reason that both platforms are owned by same company, which allows for seamless integration and posting of content simultaneously on both platforms. Facebook was a preferred platform for advertising according to the respondents. This is because of the number of registered users on the platform. The growth of Instagram regarding the number of people on it is also making it an alternative platform for advertisement as mentioned by NGR11. This is because of the large amount of millennial on it who are perceived to be better financially as stated by NGR5. This meant that almost all the respondents generated more sales on Instagram.

Respondents when quizzed on why they felt Instagram had more impact on sales, the majority of the entrepreneurs could not give a definite answer with some saying that "*I really don't understand*" NGR8. A reason suggested by NGR10 is that Instagram offers more opportunity for entrepreneurs to sell themselves. Other suggestions ranged from the rich man syndrome as posited by NGR5, the visual component and attractiveness of Instagram as stated by NGR8 and NGR9. Several respondents (NGR8, NGR9, NGR10, NGR11) indicated that the outreach of Instagram was favourable, unlike Facebook where not everybody gets to see your post even if they are your friends.

Facebook, on the other hand, has its strength when it comes to brand awareness and engagement due to its leverage of large numbers of users (NGR5 and NGR6). NGR4 characterised Facebook as providing an '*official office*' where complaints may be posted and addressed. However, some respondents felt that Facebook was losing traction because it is mostly used to keep in touch with family and friends. For instance NGR8, NGR9 and NGR10 believed it was best used for personal purposes with little sales been derived from it. NGR10 noted that she could not remember anyone contacting her for business on Facebook. Even if she uploaded her work images on Facebook, it had few likes or comments, but on Instagram, the likes kept streaming in. The same sentiment was shared by NGR8. It was found that respondents whose business visual and retail-oriented make more use of Instagram than Facebook.

Twitter, due to its limitation regarding the number of characters per post and ability for retweets, was used more for brand marketing and less of advertisement. This is because according to NGR5 *"Twitter advert(s) are not as effective…"* Twitter was more used to increase brand awareness of their products to their clients, in the case of NGR1 and NGR3. It was also used for credibility enhancement by the entrepreneurs. This was described by NGR5 when he said that a celebrity following your account made it credible to followers. NGR4 also discussed the strength of Twitter in engaging with time-sensitive events, which might be difficult to achieve on other platforms. This was due to the nature of the NGR4's business that deals with traffic updates

based on location. Moreover, the potential for Twitter to be misused or abused was identified by NGR3 and NGR4, which resulted in these entrepreneurs moving their audience and activities back to both Instagram and Facebook.

5 Implications

This study aimed at exploring how SM platforms influence entrepreneurial motivations and marketing strategies and thus offer both theoretical and practical implications. Firstly, although SM has been used by entrepreneurs for some years, understanding its role in developing countries is in its early stages. Entrepreneur characteristics and resources in developing countries lead to differences in entrepreneur motivation and marketing strategies. The research contributes to the literature by highlighting the role of SM in supporting opportunity-driven entrepreneurship in developing countries. SM also allows for the transition of entrepreneurs from being necessity-driven to been opportunity driven and thus it is consistent with previous studies [10, 12].

Secondly, the study advances understanding of SM marketing strategies adopted by entrepreneurs in a developing country. The study elicits the different ways that entrepreneurs market their products/services to their prospective clients. SM advertisement is well documented in developed countries [4]. However, this study further identifies other SM marketing strategies deployed by entrepreneurs to compete with established business and also promoting their products/services which might be unique to developing countries. The identified marketing strategies are feasible for entrepreneurs because it can be effective and less cost-intensive. Moreover, it furthers our understanding regarding the preference of entrepreneurs regarding the various SM platforms considered in this study.

6 Limitations

This study has a few limitations that should be addressed by future research studies. The study utilizes a small sample size where all of the respondents are highly educated (minimum of a university degree). Hence the findings may not be conclusive as educated people are more likely to identify opportunities on SM and thus develop marketing strategies better than the uneducated counterparts. Also, the study aimed at exploring entrepreneur motivation and marketing strategies regarding SM. In future studies, a theoretical model will be developed and empirically validated. Furthermore, the study can be extended in identifying and validating factors that influence entrepreneur SM use and (dis)continuous use, and empirically test them in a developing country.

7 Conclusion

Social media has been shown to afford opportunities more especially in supporting entrepreneurs in developing countries to establish and grow their business. In this study, SM allows for the entrepreneurs to establish opportunity-driven business; which as suggested leads to high performing ventures that benefit the economy. The marketing strategies equally uncovered shows how the entrepreneurs are using the little resources at their disposal to achieve the maximal advantage and compete with the established businesses.

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