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**INTERNATIONAL BUSINESS NETWORKS THROUGH
SOCIAL MEDIA**

Case study of a cleantech SME

Master`s Thesis in
International Business

VAASA 2020

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Degree:	Master of Science in Economics and Business Administration
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Year of entering the University:	2015
Year of completing the thesis:	2020
Number of pages:	89

ABSTRACT:

The extensive use of digital technology, especially social media have fundamentally transformed the way we communicate, collaborate, consume, create, and share information. Social media are no longer platform used by individuals and consumers but also used by big, medium- as well as small-sized companies worldwide. Social media are nowadays a part of companies internationalization strategy because it allows companies to perform several business functions. However, there is a lack of research on understanding how SMEs can utilize social media in internationalization. Thus the objective of this research is to explore the importance of SM in SMEs' internationalization process. More specifically, the objective of the thesis is to examine how social media can be used as a network building channel or tool in SME's internationalization process.

The objectives of the research will be achieved through an intensive single case study research of an international cleantech Finnish SME. The empirical research was conducted through semi-structured interviews. Altogether seven semi-structured interviews were conducted in the case company in December 2019. The interviewees consisted of managers and employees. An inductive approach was adopted in the research, and the data were analyzed based on the thematic analysis.

The study reveals that social media can be used as a supportive tool for SMEs to build and maintain international business networks. Also, the research reveals that there are three different mechanisms, which show in practical how social media enable SMEs to build new international business networks and what these, in turn, bring to the SME. Based on the findings, a model was created that combines both the micro and macro levels of a company. The results of the study, as well as the model developed, will help SMEs to use social media more effectively for maintaining and forming international network relations.

KEY WORDS: Internationalization, social media, international business networks, small and medium-sized enterprise

1. INTRODUCTION

The extensive use of digital technology has fundamentally transformed our lives, the way we communicate, collaborate, consume, create, and share information (Aral, Dellarocas & Godes 2013). Estimated over 3 billion people, up to 40% of the world's population, are now online and using active social media (SM) (Hootsuite 2018), and the number will only increase as digital technology continues to evolve (Kotler & Armstrong 2016: 48). Moreover, during this decade, especially the use of SM have gained popularity in the business world, and SM are no longer just platforms used by individuals (Eurostat 2018). SM not only enable companies to be present on the international market but also allow reaching potential customers worldwide. Through SM, companies are also able to perform several business functions such as marketing, market research, customer care, and online sales. Therefore, more and more companies, both big and small and medium-sized enterprises (SMEs) are using SM as a part of their internationalization strategy. (European Commission 2014a.)

1.1. The importance of the topic and research gap

The use of SM has expanded over the last decade among companies. The expanded use has, on the other hand, contributed to the intensity of the research on SM, especially SM marketing and promoting, which is why the topic has attracted academic researchers during the last ten years. Mainly, the previous studies have focused on SM networks and the role these networks play in customer engagement (Henning-Thurau, Malthouse, Friege, Gensler, Lobschat, Rangaswamy & Skiera 2010; Tsai & Men 2017), how SM can be exploited to build brands and communicate with the customers (Kaplan & Haenlein 2010; Hanna, Rohm & Crittenden 2011; Schivinski & Dabrowski 2016), and how SM can be used as an advertising and marketing tool (Dao, Le, Cheng & Chen 2014; Leeflang, Verhoef, Dahlström & Freundt 2014; Knoll 2016). On the other hand, some studies have emphasized the importance of SM in brand management (Gensler, Völckner, Liu-Thompkins & Wiertz 2018), business performance (Panigua & Sapena 2014), and CRM (Trainor 2012). Also, it seems that there are some studies about the role of SM in sales

management and personal selling in business-to-business (B2B) context (Guesalaga 2016) and using social media as a resource in SMEs' sales process (Andzulis, Panagopoulos & Rapp 2012; Bocconelli, Cioppi & Pagano 2017). Although studies on SM have growth among academic research, most of the studies are focusing on the business-to-consumer (B2C) perspective (Jussila, Kärkkäinen & Aramo-Immonen 2014; Keinänen & Kuivalainen 2015).

With over 47% of EU enterprises used different types of SM in 2017, the potential value of the trend for companies is vast (European Commission 2014a; Eurostat 2018). However, there is still relatively little information on how companies can take advantage of SM to accelerate their internationalization and business expansion to foreign markets in general and establish business relations (European Commission 2014a). Even though the studies about SM in the point of view of B2B organizations have emerged, the understanding of the area is still limited. Besides, the earlier academic, SM-related studies have not focused on companies that operate wholly in B2B markets nor the external use of SM in international B2B networks. In particular, the study of SM's external use in a B2B context is exceptionally relevant since managers often have a poor understanding of it, and it, in many ways, vary from the B2C use. (Jussila et al. 2014.)

Providing a link between SM and internationalization, it has assumed that the development of information and communication technology (ICT) has contributed to the development of internationalization models (European Commission 2014b). In turn, internationalization activities and processes of firms have been attracting research attention for many decades. The research and literature about internationalization have expanded as the world has changed, and the traditional internationalization models have not adapted to the new business models nor companies that are international from inception (Oviatt & McDougall 1994).

Johansson and Mattsson (1988) challenged the earlier, traditional internationalization approach with the network approach whereby firms, especially small and medium-sized firms, need networks in the process of internationalization. Later, the full range of academic research has focused on understanding the role of networks in the

internationalization of SMEs (Coviello & Munro 1995; Chetty & Blankenburg Holm 2000; Johanson & Vahlne 2009; Vasilchenko & Morrish 2011). The literature based on networks in internationalization is often heterogeneous, and most of the research is concentrated on firms' resource development and knowledge searching in foreign markets (e.g., Gilmore, Carson & Rocks 2006; Zhou, Wu and Luo 2007). On the other hand, the literature focuses on networks' relationships and how these relationships influence internationalization (e.g., Björkman and Kock 1995; Ellis 2000; Liesch, Welch, Welch, McGaughey, Peterson & Lamb 2002).

However, it is widely agreed among the academic researchers that networks play an essential role in SMEs' internationalization (Johanson & Mattsson 1988; Coviello & Munro 1995; Johanson & Vahlne 2009; Vasilchenko & Morrish 2011), because the international orientation or experience might not be enough to ensure entry success or even find the right target market. Through networks, SMEs can gain knowledge of opportunities in the foreign markets (Coviello & Munro 1995), needed resources (Chetty & Blankenburg Holm 2000), and partnerships (Vasilchenko & Morrish 2011). Also, the networks help SMEs, for instance, gain entry success (Hilmersson & Jansson 2011), understand how business and society work in the target market (Salvador, Pinot de villechenon & Rizzo 2014), select the target market (Ibeh & Kasem 2011), or even improve business performance and gain internationalization experiential knowledge (Blomstermo, Eriksson, Lindstrand & Sharma 2004).

As mentioned, the earlier studies about SMEs' internationalization through networks have been heterogeneous and focused on for example questions how do firms internationalize (internationalization models) (Johanson & Mattsson 1988; Johanson & Vahlne 2009), how do networks influence firm's internationalization (i.e., helps overcome internationalization barriers) (Hånell & Ghauri 2015), and how firms can benefit from the networks (i.e., resource development and gaining knowledge on foreign markets) (Chetty & Blankenburg Holm 2000). However, there is a lack of research on understanding how SMEs can in practice get access, find, and build the needed networks that are boosting the internationalization (Jussila et al. 2014.)

As SM are considered as a low-cost information technology that crosses the boundaries and enables individuals to communicate with thousands or even millions of others (Tuten & Solomon 2018: 11–12), SMEs must understand the aspect that SM might play in building the international networks. Having addressed these defines, the objectives of the research will be presented in the following sub-chapter.

1.2. The research question, objectives, and intended contributions

Given the identified research deficiencies, the objective of this research is to explore the importance of SM in SMEs' internationalization process. More specifically, the study concentrates mainly on the network approach of internationalization and SMEs that especially need networks to succeed in the internationalization process. Accordingly, the research question is:

How do social media enable building international business networks of SMEs?

Thus, the objective of the thesis is to examine how social media can be used as a network building channel or tool in SMEs' internationalization process. In order to reach the objective of the study and answer the research question, this thesis has two sub-objectives as following:

To outline the network approach of the internationalization of SMEs.

To outline the types of social media.

To outline the most used social media channels in relation to their applications in SMEs' international business networks.

The objectives of this research will be achieved through a case study research of a Finnish international SME. By achieving these objectives, this research will provide an understanding of how SMEs should or should not use SM in international networking in a B2B environment.

1.3. The delimitations and the key concepts of the study

The delimitations and the key concepts of the study are presented and introduced by clarifying the scope of the research. There are five main delimitations connected with the main themes and scope of the study. First, the studied company is a Western origin SME, founded in Finland. Second, the industry of the studied company is cleantech. Besides, the study is done from a company point-of-view, and the nature of this study is international, as the company operates around the world, but mainly focusing on the European, Asian, and the Americas markets. The final delamination of this study is concerned with the data collection method. The data are collected through semi-structured interviews, which is used to gain in-depth information from the participants involved in the study and allow a more thorough analysis of the subject.

The theoretical approach combines theories and definitions of international business networks and network approach of internationalization. Thus, the key concept of this study is internationalization, international business networks, and social media.

Internationalization: Different researchers and business approaches explain internationalization in different ways. For example, according to Hollensen (2011: 6, 50), internationalization means that a company is expanding its R&D, production, selling, and other business activities in many countries around the world, but generally, the business is limited to a particular region. This definition is in line with the European Commission's (2014b) definition. According to the European Commission (2014b), the internationalization of SMEs can be viewed through exporting, foreign direct investments (FDIs), outsourcing, and international research, development, and innovation (RD&I) collaboration. While Business Dictionary (2019) explains internationalization by dividing the concept into commerce and marketing perspectives. From the perspective of commercialization, internationalization is seen as the increasing tendency of companies to operate across national boundaries. While, from the marketing perspective, internationalization can be explained through an approach where companies design products and services that are adaptable to different cultures and languages. (Business Dictionary 2019.) On the other hand, internationalization has explained through the

growth in foreign market production and investments (Dunning 2000). Since this study focuses on the network approach of internationalization, it is relevant to define the concept of internationalization based on these studies. Thus, internationalization is seen as an interactive process where firms create relationships between foreign actors and networks (Johanson & Mattsson 1988; Johanson & Vahlne 2009).

International Business Networks: According to Coviello and Munro (1995), markets are a network of relationships between customers, suppliers, and competitors, where the relations can be formal, business-related, or informal. A firm has many networks that likely consist of complex and long-term business and nonbusiness relationships. These relationships can both enable and constrain a firm's business performance. Further, the firm itself is a complex network of internal relationships between people, departments, and units. (Håkansson & Ford 2002; Ritter, Wilkinson & Johnston 2004.) When doing business, firms develop and establish relationships with various firms and organizations, because they affect directly or indirectly on their business performance. (Ritter et al. 2004.) Anderson and Narus (1995, 96) characterize business networks as processes where two or more firms or other types of organizations "form strong and extensive social, economic, service and technical ties over time, with the intent of lowering total costs and increasing value, thereby achieving mutual benefit" (Ritter et al. 2004). While Johansson and Vahlne (2009) see business networks as a market structure, in which the firm interacts with other firms by creating new market structures and "in which the internationalizing firm is embedded and on the corresponding business network model of the foreign market". On the other hand, Ford, Gadde, Håkansson, and Snehota (2003) describe business networks as a complex network of firms or other organizations, which are working together to gain particular objectives. Business networks help firms to gain direct benefits, such as to get access to resources, knowledge, and markets. While Spanikova, Birkman, & Besseling (2014) see business networks as forms of collaboration that allows firms from different regions with different dimensions, productive capacities, and operations to work together to gain common objectives. On the other hand, business networks provide indirect benefits because they allow firms to get access to other relations, organizations, resources, and competencies (Waltter, Ritter & Gemünden 2001). Besides, business networks affect the outcomes and performance of the firm,

which are sources of their competitive advantage. However, business networks are not generally created, controlled, operated, or owned by a firm, but they are rather seen as self-organizing systems, where the network is organized through interactions and relationships in which the firms are involved. (Wilkinson & Young 2002; Ford & Redwood 2005.)

Social Media (SM): As a term, SM is a quite controversial concept, and there seems not to be an unidentified definition of SM among academic literature, researchers, nor managers (Kaplan & Haenlein 2010; Bowen & Ozuem 2015). Also, there seem to be disagreements about what the term SM contains or how the term can be divided into categories. However, the definition by Kaplan and Haenlein (2010) is the most widespread in academic literature (Bowen & Ozuem 2015). Therefore, SM can be seen as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of User Generated Content (UGC)". In other words, Web 2.0 refers to the technologies and the World Wide Web as a platform that enables the use of SM, including services offered to users and UGC. (Kaplan & Haenlein 2010.)

Small and medium-sized enterprise (SME): Most of the firms in the world are SMEs. Staff headcount and turnover or balance sheet total are the main factors that determine if an enterprise is a small and medium-sized enterprise. SMEs have fewer than 250 employees and have either an annual turnover under or equal 50 million euros or an annual balance sheet total under or equal 43 million euros. (European Commission 2019.) SMEs are the key players in the global economy, and even 99 % of all firms in the OECD countries are SMEs. They are significant employers, and they provide the primary source of employment, 70% on average. SMEs are more open and flexible for changes, which make possibilities for them to participate more actively in digital transformation and globalization. Also, they have an essential role in sustainable economic growth by providing jobs, promoting sustainable innovations, and reducing the instability of income globally. However, the SMEs' potential for participating in sustainable economic growth depends on external factors, such as competition and conditions of the markets, which

make them more sensitive for market failures and barriers, because of the internal limitations of the firms. (OECD 2017.)

1.4. The structure of the study

The structure of the study will be as follow. The first chapter of the thesis will begin with an introduction, which describes the purpose and need for the study, objectives, and the research question. Also, the delimitations, key concepts, and structure of the study are presented. The second and third chapters will consist of the literature review, which observes the existing theory and literature about the subject. The fourth chapter will be followed, and the methodology of the study where the methodological choices, such as philosophical assumptions, data collection, and analysis methods as well as the case company of the study, are introduced. In the fifth chapter, the actual empirical study is conducted, and the findings are presented. The sixth chapter is the last where the results are analyzed and discussed. Also, the theoretical contributions and managerial implications are presented in the last chapter.

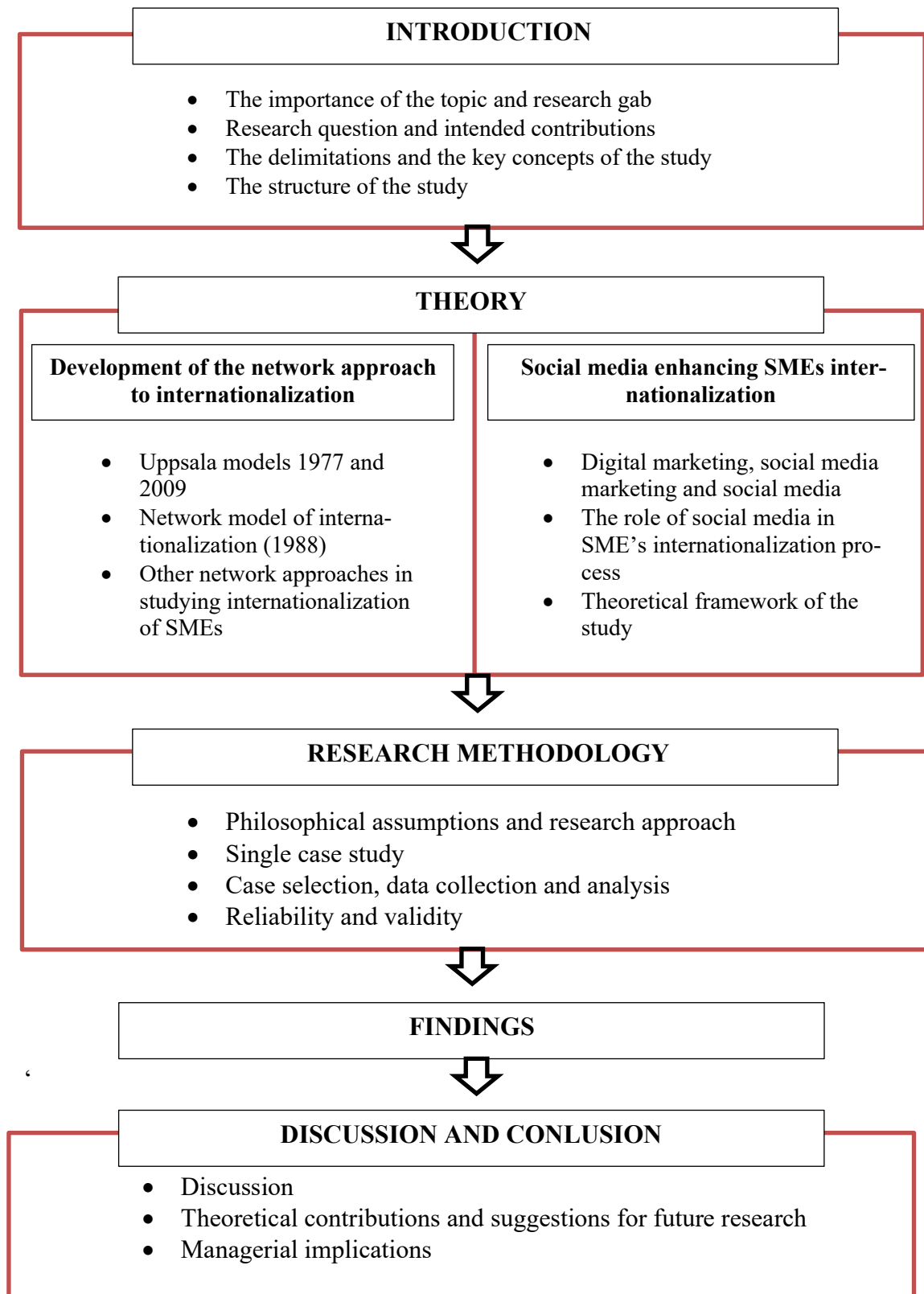


Figure 1. Structure of the study

2. DEVELOPMENT OF THE NETWORK APPROACH TO INTERNATIONALIZATION

This chapter provides the theoretical view on the development of internationalization network approach in the literature in chronological order, and how these models have evolved during the years. Over 50 years ago, Johanson and Vahlne (1977) developed an internationalization model, so-called Uppsala model that has been one of the most discussed dynamic theories in the international business studies field. Almost 20 years later, in 1995, Coviello and Munro (1995) found out that multinational enterprises (MNEs) and SMEs internationalize differently. MNEs often internationalize as gradual while SMEs internationalize faster by leveraging relationships and networks. At the same time, researchers began to pay attention to the rapidly internationalizing SMEs, so-called born globals, or new ventures (Oviatt & McDougall 1994). Further, this chapter will open up how the Uppsala model by Johanson and Vahlne (1977) has evolved over the decades, and how other internationalization models, such as the network model of internationalization by Johanson and Mattsson (1988) and the theories of born globals and international new ventures have influenced and developed the traditional network theories of internationalization.

2.1. Uppsala model 1977

Before the research of Johansson and Vahlne (1977), some previous studies of companies' internationalization had indicated that companies gradually internationalize and increase their international involvement first in countries with low physic distance (see, i.e., Forsgren & Kinch 1970; Hörnell, Vahlne, & Wiedersheim-Paul 1972; Johanson & Wiedersheim-Paul 1974). By physic distance, the researchers mean the factors that are preventing the flow of information from the market inside and out. Examples of these factors can be, for example, differences in language, culture, business practices, and industrial development. (Johanson & Vahlne 1977.) The underlying reason why the firm's internationalization process is seen to take place first in markets close to the firm's domestic

market is a liability of foreignness concept – "the larger the physic distance, the larger is the liability of foreignness" (Johanson & Vahlne 2009).

Johanson and Vahlne (1977) studied five Swedish manufacturing companies' internationalization expansion to foreign countries. They concluded that companies follow a step-by-step internationalization patten, where a company internationalization process is gradual, focusing on the increasing involvement and integration of only one foreign country at a time, and made in small steps rather than significant foreign investments. Also, the internationalization pattern implied to be a path based process that follow-up small steps – exporting, selling via an agent or independent representative, establishing sales subsidiaries, and production subsidiaries. Even the production decision seemed to be incremental in these companies, and the production often started with the most accessible manufacturing activities and follow-up more complicated ones. (Johanson & Vahlne 1977.) In the following figure, is the illustration of Johansson and Vahlne's (1977) gradual internationalization process.

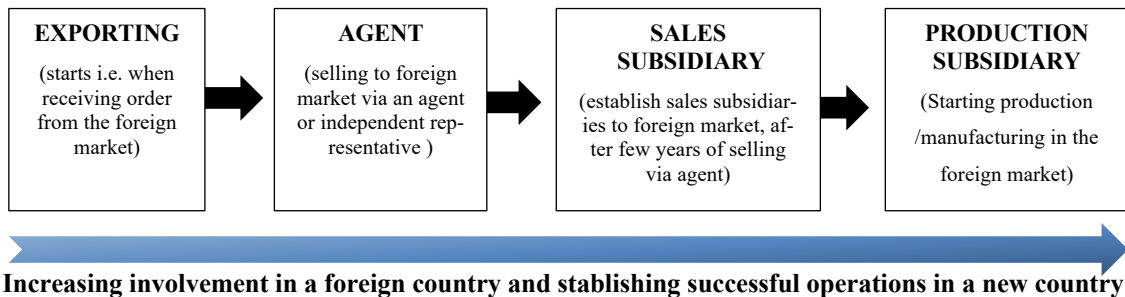


Figure 2. Gradual internationalization process (Source: Johanson & Vahlne 1977).

Based on their findings and by referring Aharoni's (1966) studies about the interdependence of market commitment and market knowledge, Johanson and Vahlne (1977) developed the internationalization model, so-called Uppsala model. The underlying assumptions of the model are that the lack of market knowledge, such as information about foreign markets and operations in those foreign markets, prevents a firm developing its international operations, and that the necessary knowledge and experience can be acquired

when operating in overseas markets. According to the model, there are two aspects, state, and change aspects, affecting the internationalization process. The state aspects are the experiences and development of the knowledge of the foreign market and its operations and the degree of commitment resources in the overseas market. On the other hand, the change aspects are decisions to commit resources to foreign operations and the firm's current business activities. It is assumed that both market knowledge and market commitment indicate the state of the company's internationalization, and thus perceived risks and opportunities. Risks and opportunities, on the other hand, are contributing to resource committed to foreign operations and the way current business activities are performed within a firm. (Johanson & Vahlne 1977.) The figure below can be seen as the underlying mechanism of internationalization, according to the Uppsala model.

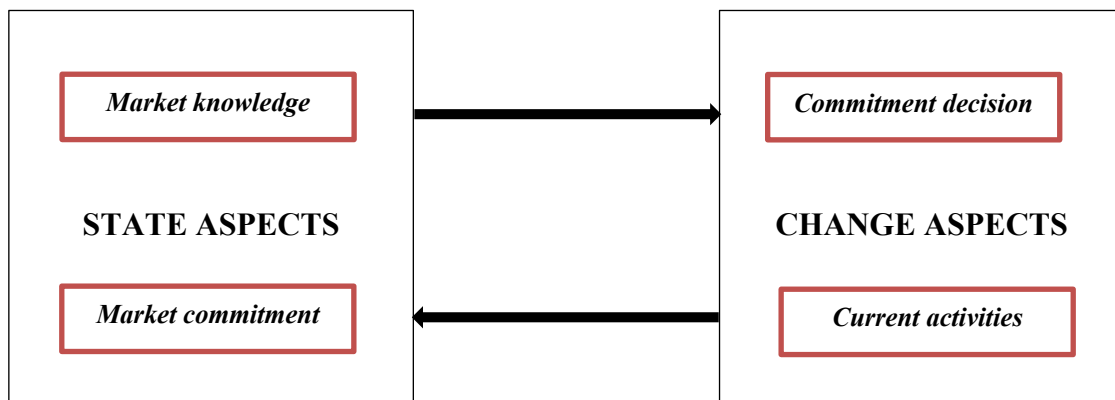


Figure 3. The underlying mechanism of internationalization, Uppsala model 1977 (Source: Johanson & Vahlne 1977)

To sum up, the core of the model is based on the assumptions that market knowledge and market commitment affecting both commitment decisions and the way current business activities are performed. The change aspects, in turn, change market knowledge and commitment. The degree of a firm's internationalization is determined by the resources committed to a foreign market, and the knowledge and experience the firm has about that international market. When a firm has gained knowledge and experiences in the physical

near countries, it can broaden its business activities and operations to more distant foreign countries. (Johanson & Vahlne 1977.)

Even though the Uppsala model has contributed to the understanding of firms' internationalization process, it is widely criticized. For example, the model does not take into account the influence of management on decision making. Besides, the gradual market entry does not take into account other forms of market entry, such as licensing that requires low levels of investments, and franchising that are seen as a relatively risk-free form of market entry (Doole & Lowe 2008: 243–244). Nor the strategic alliances through which SMEs can overcome the lack of resources and share capabilities and knowledge (Lu & Beamish 2001). Moreover, the model focuses on both big and small manufacturing companies from mature industries, in which the internationalization process often differs from small and specialized high-technology firms. These firms are also known as born globals characterized by rapid and intense internationalization using external resources such as partners and networks. (Saarenketo, Puumalainen, Kuivalainen, & Kyläheiko 2004.) These born globals will be further discussed in the sub-chapter 2.4.

2.2. The network model of internationalization 1988

Similar to Johanson and Vahlne (1977), over ten years later, Johanson and Mattsson (1988) studied the interdependencies between firms and industries affecting the internationalization process of firms. Johanson and Mattsson (1988) developed a network-based model for internationalization based on the assumption that industrial markets consist of long-term, indirect, and direct relationships between domestic and international suppliers, distributors, customers, competitors, and so on. The main reason for the existence of these relationships is that the suppliers and customers need extensive knowledge about each other's resources, services, organization, and development possibilities. The knowledge exchange between suppliers and customers requires that the firms are dependent and linked to each other with relationships. Thus firms need to cooperate and develop complex business-to-business information nets and also build social and technical links with each other. Through these nets and ties, firms form professional, planning, knowledge,

social, economic, and legal bonds with each other. Examples of these bonds can be product and process regulations, logistical coordination, or long-term contracts. (Johanson & Mattsson 1988.)

As mentioned, the network model is based on the assumption that markets are seen as a network of relationships between firms. The firm's activities in markets are seen as cumulative processes where existing relationships are changed, developed, established, maintained, and even broken all the time in order to an individual firm to exchange knowledge and gain access to essential resources and market assets. Through activities within the network, a firm creates and develops a position in the network. The positions that firms create in the network can be divided into two categories: micro-positions and macro-positions. Micro-positions refer to the relations between two individual firms: the role that the firm has for the other firm, the firm's importance to the other firm, and the strength of the relationship with the other firm while the macro-positions refer to an individual firm's relation to the whole network. Whereas the identity of the other firms in the network, the role of the firm has in the network, the importance of the firm in the network, and the strength of relationships with all the other firms in the network affect the position that a firm has in this network. Besides, the place that an individual firm develops in the network to which it belongs predict and define its international and domestic actions and both opportunities and limitations in the future. (Johanson & Mattsson 1988.) Thus, it can be summarized that this model stresses, in particular, the importance of developing long-term relations with other firms and networks from both domestic and foreign markets.

According to the network model by Johanson and Mattsson (1988), an individual firm internationalizes as it "establishes and develops positions in relation to counterparts in foreign networks." This can be achieved in three different ways: 1) by establishing new positions in national networks in which the firm does not already have positions, i.e., international extension, 2) by developing the existing positions and increasing resource commitments to the network that the firm already has positions, i.e., market penetration, and 3) by increasing and improving the coordination between different positions in the networks in which the firm is involved in. (Johanson & Mattsson 1988.)

While in the Uppsala model, the degree of a firm's internationalization is determined by the resources committed to a particular foreign market (Johanson & Vahlne 1977). In the network model, the importance of positions are emphasized — notably, the positions and the commitment to these positions. The positions also drive for a firm's internationalization. Thus the degree of a firm internationalization is reflected by the extent to which the firm has certain positions in different national (foreign) networks in international markets and the degree of importance and integration of these positions. Also, the firm's position determines the relation with other networks, which is affected by previous interactions. (Johanson & Mattsson 1988.)

		<i>Degree of internationalization of the network (market)</i>	
		<i>Low</i>	<i>High</i>
<i>Degree of internationalization of the firm</i>	<i>Low</i>	<i>The Early Starter</i>	<i>The Late Starter</i>
	<i>High</i>	<i>The Lonely Starter</i>	<i>The International Among Others</i>

Figure 4. The network model of internationalization: the approaches of firms internationalization (Source: Johanson & Mattsson 1988).

For an “Early Starter”, both the degree of the firm’s and its network’s (market) internationalization is low. The firm has few, unimportant, and weak relationships with other firms abroad. This also applies to the firm’s network; competitors, suppliers, and other firms involved in the network have few critical international relationships. The firm has insufficient knowledge of foreign markets. Also, the other participants in the network are in a similar situation, and the firm is not able to rely on the experience and knowledge of

the network. Therefore the project implementation abroad requires many resources committed to obtaining the needed knowledge and expertise. (Johanson & Mattsson 1988.) Johanson and Mattsson (1988) suggest that the internationalization process should start for early starters by using an agent and other intermediaries from similar to the domestic market. Through the agent, the firm can reduce the risk of investments and exploit the agent's networks, knowledge, and other resources to minimize the risks for entering a foreign market. After some time, the firm gets more knowledge about the international markets – the resources, network, and sales increase, and the firm can invest and commit more resources in the foreign market. (Johanson & Mattsson 1988.) The “Early Starter” phase reminds the earlier mentioned, gradual internationalization approach where the overseas market learning and penetration is happening in small steps, and a firm increases its international involvement first in the countries with low physic distance (Forsgren & Kinch 1970; Hörnell, Vahlne, & Wiedersheim-Paul 1972; Johanson & Wiedersheim-Paul 1974; Johanson & Vahlne 1977).

When the degree of internationalization grows, the firm evolves to the “Lonely Starter” state. It is a situation where the firm is highly internationalized and has relationships and experience of foreign countries, while the network (market) itself is lowlily internationalized. The increased level of internationalization and better experience in foreign markets lead to the firm being able to operate in an international environment, acquire the necessary knowledge, and gain access to new foreign networks. In this way, the firm will gain better positions in the network over its competitors and thus enjoy competitive advantages. (Johanson & Mattsson 1988.)

The third position identified by Johanson and Mattsson (1988) is the “Late Starter”. In the situation of “Later Starter,” the firm does not have direct relationships with foreign markets. However, the markets, suppliers, customers, and competitors of the firm are international, and thus, the firm itself has naturally indirect relations with international networks. Therefore, the internationalization of a “Later Starter” firm does not require gradual involvement in markets that are similar to the domestic market, and the internationalization process can be, for example, done through utilizing these indirect relationships and participating in joint projects or acquisitions within the network. However, the “Later

Starter” has lesser foreign market knowledge as compared with its competitors. Thus, small firms that are generally specialized and more flexible, compared to more significant firms, may help them find easier the market niche in the foreign market. (Johanson & Mattsson 1988.)

If both the firm and the market are highly internationalized, the situation is called “The International Among Others”. This situation requires a high degree of coordination of the activities in foreign markets. However, vast knowledge of the international markets and relationships with many foreign actors enables a good position in the network and thus access to many external resources. Also, joint-ventures and other foreign acquisitions are more frequent among “International Among Others”, since the cooperators and competitors are usually in the same phase in the internationalization process. (Johanson & Mattsson 1988.)

To summarize Johanson and Mattsson’s (1988) views on the network model of internationalization, the network and relationships are seen as critical factors enabling the development of a firm, gain knowledge of the foreign market, access to external resources, and entry to international markets. The position in the network and the degree of the network define the degree of an individual firm’s internationalization. However, the model does not explain how firms should create the relationships to gain the needed advantage of each relationship, nor how the network overcomes the challenges that might arise from relationships during the internationalization process.

2.3. Revisited Uppsala Model 2009

After the network model of internationalization by Johanson and Mattsson (1988), the various studies regarding the network relationships and internationalization through networks have gained popularity among academic literature. Different researchers have demonstrated the vital role of networks in the internationalization process of firms.

Similar to Johanson and Mattsson (1988), Coviello and Munro (1995) define markets as a network of relationships between customers, suppliers, and competitors. They examined the use of network relationships to obtain foreign market opportunities and international marketing activities through the network internationalization process of entrepreneurial high-technology SMEs from New Zealand. However, they focused more on the relationships and the characteristics of these relationships. They divided the relations into formal, business-related relationships and informal, based on friendship or family relationships. However, they stated that both of these relationship types could be found in the B2B networks. The authors concluded that marketing activities depend on network relationships with other firms. Besides, the opportunities in the foreign market selection and entry initiatives are created by network contacts and relationships, not merely by the strategic decisions by the firms' managers. (Coviello & Munro 1995.)

While Chetty and Blankenburg Holm (2000) examined the use of informally developed networks in SMEs' internationalization and used a dynamic element of Johanson and Mattsson's (1988) network approach as a framework, they defined markets as informal relationships and social networks between international and domestic actors. The research included the case study research of four small and medium-sized manufacturing firms from New Zealand and provided an understanding of how firm and market characteristics influence the firms' internationalization process. According to the study, the internationalization of a firm is influenced by the internationalization degree of the actors in its business network. Firms can also obtain knowledge, experiences, and resources through their network relations. Especially, SMEs can benefit from pooling resources with other actors of the network. Thus, in SMEs, the interaction between the actors and the position in the network is essential, because, through these, the firm can get access to another firm's internal assets. The authors concluded that in internationalization, managers should not focus on the internal barriers of the firm, but they should focus on social networks and see these networks as resources and exploit the opportunities of networks for internationalization. (Chetty & Blankenburg Holm 2000.)

Also, Ojala (2009) examined the role of existing network relationships for the international development of Finnish SMEs that enter a psychically distant market, the Japanese

market. He defined markets as social networks that consist of formal, informal, and mediated relationships between focal networks. Ojala (2009) studied eight Finnish software SMEs and contributed to the network approach of Johansson and Mattsson (1988). He concluded that the decision to enter a psychically distant market is found to be for firms' strategic reasons, not influenced by business relationships. However, it seemed that relationships are utilized and developed by achieving market entry. (Ojala 2009.)

Since the original Uppsala model 1977, the perception of the market as well as the business practices and economics have changed; the business environment is seen as a network of relationships, where firms are linked to each other with the various and complex invisible patterns, where the insidership in a relevant network(s) is seen as a necessity for the firm's success in the internationalization process. As well as, there seems to be a liability of outsidership. The outsidership regarding the relevant network(s) for a firm, is seen more as a barrier to internationalization than physical distance. Also, it is assumed that relationships offer possibilities for learning and for building trust and commitment, which are the basis for internationalization. Therefore an individual firm instead focuses on its foreign market entry in the markets where it already has some connections or relationships, not anymore in the marketplace, which is geographically close or where the physical distance is low. (Johanson & Vahlne 2009.)

Because of the new view of the market and the criticism that the original model received, Johanson and Vahlne (2009) revisited the Uppsala model. According to the original Uppsala model, market knowledge, and market commitment are affecting commitment decisions and the way current business activities are performed. The change aspects, in turn, change market knowledge and dedication. The degree of a firm's internationalization is determined by the resources committed to a foreign market, and the knowledge the firm has about that market (Johanson & Vahlne 1977). Nowadays, the 1977 Uppsala model can be seen as a traditional, more like a prescriptive, and rational model of internationalization (Johanson & Vahlne 2009).

However, the underlying mechanism of internationalization, according to the revisited Uppsala model, also known as the business network internationalization process model,

has not changed. However, the core arguments of the revisited model are based on the business network research – the market is viewed as a network of relationships, and the relationships offer preconditions, such as learning and building trust and commitment, for internationalization. Also, the change and state aspects have changed, as can be seen in the following figure. (Johanson & Vahlne 2009.)

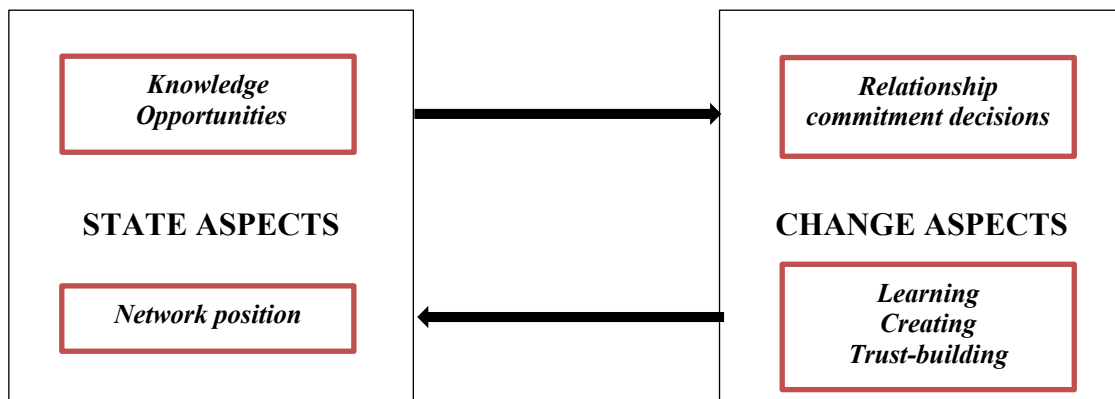


Figure 5. Revisited Uppsala model, the Business Network Internationalization Process Model. (Source: Johanson & Vahlne 2009)

As seen in the figure, the internationalization focuses on networks and relationships. In the revisited Uppsala model, the recognition of opportunities and knowledge (that include, i.e., firm's needs, capabilities, strategies, and indirect and direct networks) effect on the change of relationship commitment decisions. It is assumed that a firm is committed to relationships or a network of relationships that are increasing or decreasing the commitment in a specific network. An individual firm will make a commitment decision based on, for example, the size of investments to the foreign markets, organizational changes, or the level of dependence on external resources. Thus, the change in the relationship commitment will either strengthen or weaken the relationships with the other actors of the network. The firm can either create new relationships by combining the networks or protect or support the existing network by focusing on strategic relationships. (Johanson & Vahlne 2009.)

Also, it is assumed that the internationalization process takes place within a network, and thus the position in the network relationships are characterized by the level of knowledge, trust, and commitment. These may be unevenly distributed among the parties involved in the network and thus affecting how each firm succeeds in their internationalization. The original “current activities” have changed to make the outcome of the firm’s current activities more explicit. The speed, intensity, and efficiency of the process of learning and gaining knowledge as well as building trust are depended on the current state of knowledge, trust, and commitment. (Johanson & Vahlne 2009.)

2.4. Other network approaches in studying internationalization of SMEs

As mentioned, after the development of the Uppsala model and other traditional innovation models of internationalization, the models have received a lot of criticism (Knight & Cavusgil 1996). Also, it has been argued that these models are not applicable in today's business environment, where small firms internationalize more rapidly (Oviatt & McDougall 1994). Almost 30 years, the increasing amount of publications and researches regarding the new phenomenon, SMEs that are rapidly internationalizing and looking for growth in the foreign markets from their inception or early after, has published (Oviatt & McDougall 1994; Almor 2013). These SMEs are often called as born-global firms or international new ventures (INV) (Oviatt & McDougall 1994; Knight & Kavusgil 1996; Filatotchev, Liu, Buck & Wright 2009; Almor 2013), and are challenging the traditional internationalization theories (Knight & Cavusgil 1996).

Oviatt and McDougall (1994) describe INVs as "a business organization that from inception seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries". Unlike traditional companies, born global companies start to export within a few years of their establishment and often export at least a quarter of their total output (McKinsey & Co. 1993). According to Knight and Cavusgil (1996), born globals are small and high technology-oriented companies with unique products or process innovations that are operating in international markets right from its inception. These start-ups' origins are international, and they have committed resources

such as people, material, time, and financing in more than one foreign country (Oviatt & McDougall 1994). Moreover, these firms are often managed by entrepreneurs who see the world as one global, borderless marketplace. (Knight & Cavusgil 1996). Therefore, the entry in foreign countries for born globals and INVs is also considered more as an entrepreneurial act (Knight & Cavusgil 2004). The network approach is also highlighted within born globals and INVs internationalization process. However, the networks are often built through the former contacts of the managers (Crick & Jones 2000), and it seems that the connections from home markets are also essential for the internationalization process (Laanti, Gabrielsson & Gabrielsson 2007) .

In the early stages of a business, born globals often lack of resources to enter global markets (Gabrielsson & Kirpalani 2004). There is evidence from several studies, that in this phase international networking and partnering with more substantial and more experienced firms may help INVs and born globals to obtain the necessary resources (Coviello & Munro 1995; Sharma & Blomstermo 2003; Gabrielsson, Kirpalani, Dimitratos, Solberg & Zucchella 2008.) According to Gabrielsson and Kirpalani (2004), networking with the multinational corporation(s) (MNC) can open up new opportunities and channels for the born globals. Since networking is an effective way of getting more resources and learn from other firms, and even succeed in the global business world, born global's ability to build and leverage relationships with the key customers also directly affects the growth of the born global. Thus, born globals have to use "the channels outlined earlier of MNCs as system integrators or/and distributors" for born global's services or products, networks as partnerships, and the Internet as a network forming channel or marketing channel, either separately or in combination. (Gabrielsson & Kirpalani 2004.)

However, the INV theory differs from the internationalization network approach so that it emphasizes the management commitment and entrepreneurial characteristics such as innovativeness, proactiveness, and risk-taking which seem to affect a firm's decision to internationalize, ability to grow in foreign markets and leverage the network resources needed to grow faster (Oviatt & McDougall 1994; McDougall, Shane, & Oviatt 1994). According to Gabrielsson, Gabrielsson, and Dimitratos (2014), international entrepreneurial culture (IEC) effect on the growth of INVs, and entrepreneurial characteristics

such as international motivation, innovation, and market orientation, and risk-taking attitude contribute positively to the growth of INV in its early stages.

Moreover, Johanson and Martin Martin (2015) provided quantitative evidence that underlying cumulative dynamics, such as international business experience, international commitment, and level of internationalization can be viewed as driving forces in the internationalization process of born globals. While Cannone and Ughetto (2014), observed that the niche strategy and the network relationships built by the entrepreneurs are the critical drivers for born globals, while the experimental knowledge and international commitment of entrepreneurs do not have a significant impact on born globals internationalization. However, Knight and Liesch (2016) summarized how international research has evolved, and they concluded that the study regarding the born globals is still underdeveloped, and future research should aim to deepen knowledge on early and rapid adopters of internationalization.

Even though there are some different views between the born global/INV theory and the network approaches of internationalization, the academic literature and research emphasized the importance of network and relationships in the firm's internationalization process in both approaches. Moreover, the importance of network relationships seems to be emphasized, especially when born globals are targeting more distant markets. For example, Zhou, Wy, and Lu (2007) examined the mediating role of home-based social networks (guanxi networks) in internationalization and the performance of born-global Chinese SMEs. They concluded that through a firm's interpersonal ties and social interactions between international and domestic actors and networks, born globals could obtain particular information benefits, such as knowledge of potential market opportunities, personal advice, and trust which, on the other hand, can improve their performance outcomes. Therefore, firms' managers should invest in interpersonal ties. However, the results show that the information benefits of social networks have more to do with the firm's export performance and profitability performance than the outcomes or sales growth of the internationalizing firms. (Zhou et al. 2007.)

While Vasilchenko and Morrish (2011) examined the role of entrepreneurial business and social, informal networks in the internationalization of born-global technology-based firms from New Zealand. According to the research, entrepreneurs use established and newly formed social networks to explore the opportunities of internationalization. At best, social networks can also be a source for international opportunities, which can lead to foreign market selection and entry success. Through social networks, firms can gain new partnerships, cooperation, knowledge, and information about target markets and external experts, such as consultants and government agencies, that help them to evaluate market opportunities. (Vasilchenko & Morrish 2011.)

Even though both social and business networks play an essential role in the internationalization process, social contacts are seen as more critical in the first stages of internationalization. However, further, when the opportunities, resources, and knowledge are more developed, and new types of problems occur, firms need to have more formal strategies. Thus, business-related networks tend to develop in the later stages of internationalization. Overall, the presence of personal contacts makes it easier for firms to enter foreign markets. (Vasilchenko & Morrish 2011.)

Similar to the previous studies, Salvator et al. (2014), studied the importance of social networking for Italian and French SMEs in Brazil. In Brazil, social networks are essential for successful business activities because they help firms to understand how society and business work. Besides, in bureaucratic countries, such as Brazil, social networks can be useful for firms to overcome these bureaucratic challenges when entering the foreign market. All in all, this study also showed that social networks are vital players when collecting the information and knowledge about the target market and understanding the local needs of a target market. (Salvador et al. 2014.)

2.5. Summary of a theoretical discussion

To sum up, it can say that networks play an essential role in the internationalization process and finding new opportunities for SMEs. Networks are one way in which firms and

their entrepreneurs can reduce risks and costs when entering into some industry or market. In the current global economy, social contacts have become an essential part of the success and growth of the firms. Firms use social networks to explore opportunities and new marketplaces for internationalization.

In many cases, social networks have a remarkable influence on not only the firm's foreign market selection and entry but also success in overseas markets. (Vasilchenko & Morrish 2011.) Besides, the orientation of internationalization alone may not necessarily bring out all the needed information and knowledge about taking risks and capturing the market opportunities rapidly when firm internationalizing. Therefore, the importance of building personal ties and social interactions to obtain information that benefits firms and proves performance outcomes is significant. The information that benefits can be, for example, knowledge of potential market opportunities, personal advice, experiential learning, and guided trust (Zhou, Wu & Lu 2007).

Even though social media are nowadays widely studied field, there is still little research about the subject. Moen, Madsen, and Aspelund (2008), as well as Gabrielsson and Kirpalani (2004), have suggested that the Internet is an excellent way to forming networks to overcome the paucity of resources, especially for SMEs. Moreover, Sinkovics, Sinkovics, and Jean (2011) have studied the different paths of online internationalization and examined whether there is some impact of using the Internet as an alternative path of SMEs internationalization process and export marketing. Similar to Gabrielsson and Kirpalani (2004) and Moen et al. (2008), they found that the Internet may have a positive impact on SMEs' internationalization and provides an excellent potential for companies to reach new markets and customers. However, the Internet does not replace the physical presence in the foreign markets and thus does not lead to higher export performance. Because of that, managers should focus on building relationships and learning from international markets. (Sinkovics et al. 2011.) Nonetheless, little is known about the Internet-based tools that SMEs could use to accelerate their internationalization or to build international business network relationships. The next chapter will discuss and analyze further how these internet-based tools, especially, how SM are linked to the internationalization of SMEs.

3. SOCIAL MEDIA FOR ENHACING SMEs INTERNATIONALIZATION

Since SM, digital marketing, and SM marketing are overlapping concepts, this chapter will first briefly explain the concepts of digital marketing and SM marketing. After that, the types of SM are presented. Also, the role of SM in the companies' internationalization is analyzed. At the end of this chapter, the framework of the study is presented.

3.1. Digital marketing and social media marketing

Digital marketing is “the marketing of products and services using digital technologies,” including the Internet, mobile phones, display advertising, and other digital media. (Desai 2019). According to Kelsey (2017), SM marketing, together with content or search engine optimization, AdWords, and Analytics, are part of a broader concept of digital marketing. These concepts are defined as more detailed in the table below.

Table 1. The core areas of digital marketing (Source: Kelsey 2017).

<i>Content or search engine optimization</i>	<i>“The process of attempting to boost your rank on Google so that your rank on Google so that you get higher up in search rankings when people type in particular keywords.”</i>
<i>AdWords</i>	<i>“The process of creating and managing ads on Google (AdWords), where you attempt to get people to click on your ads when they type particular keywords in Google.”</i>
<i>Analytics (Web visitors)</i>	<i>“Enables to gain valuable insights when you measure the performance of your websites and advertising campaigns. Google Analytics allows you to see how many people visit your site, where they come from and what they do”</i>

SM Marketing	<i>“The process of creating and managing a presence on social media, including making posts, as well as creating advertisements”</i>
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While, according to Chaffey and Smith (2017: 36–38), SM marketing is one of a key digital marketing channel together with search engine marketing, online PR, online partnerships, interactive advertising, and opt-in e-mail marketing. They have defined these six digital marketing channels as follow:

- **Search engine marketing (SEM)** that includes two key marketing search techniques - search engine optimization (SEO) to increase companies’ natural search listing and paid search marketing, such as sponsored ads using a basis of Pay Per Click (PPC) (Chaffey & Smith 2017: 36)
- **Online PR** that includes favorable mentions of a company itself, it’s brands and products on third-party websites such as social networks or blogs. These third-party websites are likely to be visited by the company’s target group (Chaffey & Smith 2017: 37). Online PR includes also company’s response to the negative comments and managing public relations via company’s social media sites or blog (Chaffey & Ellis-Chadwick 2016: 32).
- **Online partnerships** include creating and managing long-term agreements to promote company’s online services on third-party website or through email communication such as link building, affiliate marketing, online sponsorship or co-branding (Chaffey & Smith 2017:38).
- **Interactive advertising or display advertising** includes using online ads such as banners and rich media ads to increase brand awareness and click-throughs to target sites (Chaffey & Smith 2017: 38).
- **Opt-in e-mail marketing** is for example renting email lists and setting ads in third-party e-newsletters (Chaffey & Smith 2017: 38).
- **SM marketing** includes participation and advertising through social media networks and communities which goal is to reach and engage target audience. Companies use social media to share content and communicate with the audience

through social networks, viral marketing and online word-of-mouth marketing (Chaffey & Smith 2017: 38).

Similar to Chaffey and Smith (2017), Desai (2019) has divided digital marketing into the most common tactics and channels involved. These are SEO, SM marketing, Content marketing, Affiliate marketing, Native advertising, PPC, Email marketing, Inbound marketing, and Online PR (Desai 2019). However, according to Kotler and Armstrong (2016), SM marketing and digital marketing are parallel terms which both include the use of digital marketing tools such as web sites, SM, mobile apps, email, blogs, online video, and many other digital platforms. These platforms enable consumers and customers to be interactive anywhere and anytime with their digital devices such as tablets, smartphones, and computers. (Kotler & Armstrong 2016: 49.)

Even though there seems not to be a unified definition of what SM marketing and digital marketing include, it can be concluded that both contain the processes and acts of using and managing SM, as well as participating in SM. Thus, SM can be seen as a tool that enables SM marketing and digital marketing. In the following subchapter, the concept SM will be defined more clearly.

3.2. Social media

As a term, SM seems to be quite a controversial concept, and there seems not to be an unidentified definition of SM among academic literature, researchers, nor managers (Kaplan & Haenlein 2010; Bowen & Ozuem 2015). Also, there seem to be disagreements about what the term SM contains. However, the definition by Kaplan and Haenlein (2010) is the most widespread in academic literature (Bowen & Ozuem 2015). It has also been argued that the term SM and Web 2.0 are the same and can be used mutually (Constantinides & Fountain 2008). Besides, SM, Web 2.0, and creative consumers are also argued to be interdependent concepts (Berhon, Pitt, Plangger, and Shapino 2012).

Constantines and Fountain (2008) examine the importance of Web 2.0 for marketing strategy and direct marketing, and they see Web 2.0 as a term that combines online applications and SM. They define Web 2.0 as “a collection of open-source, interactive and user-controlled online applications expanding the experiences, knowledge and market power of the users as a participant in the business and social processes”. According to the writers, the applications of Web 2.0 support the creation of informal networks that enable the generation and sharing of ideas, content, and knowledge. Moreover, Web 2.0 offers new opportunities but also challenges for businesses for being in touch with their markets, learning about the needs of their customers as well as interacting directly with them. Also, they divide the Web 2.0 applications into five main categories: blogs, social networks, communities, forums, and content aggregators (Constantines and Fountain 2008).

While, according to Kaplan and Haenlein (2010), the terms SM and Web 2.0 differs from each other. They define SM as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of UGC”. In other words, Web 2.0 refers to the technologies and the World Wide Web as a platform that enables the use of SM, including services offered to users and UGC. Moreover, Kaplan and Haenlein (2010) have categorized social media applications into six categories, which can be seen in the figure below, depending on the social presence/media richness and self-presentation/self-disclosure. These categories are collaborative projects, content communities, virtual game worlds, virtual social worlds, social networking sites, and blogs. (Kaplan & Haenlein 2010.)

		Social presence / Media richness		
		Low	Medium	High
Self-presentation / Self-disclosure	Low	Blogs	Social networking sites (e.g. Facebook)	Virtual social worlds (e.g., Second life)
	High	Collaborative projects (e.g. Wikipedia)	Content communities (e.g. YouTube)	Virtual game worlds (e.g. World of Warcraft)

Figure 6. Social media categorization based on social presence/media richness and self-presentation/self-disclosure (Source: Kaplan & Haenlein 2010).

Similar with Kaplan and Haenlein (2010), Kietzmann, Hermkens, McCarthy, and Silvestre (2011), see SM as a user of mobile and web-based technologies that create interactive platforms, such as content sharing sites, blogs, social networking, and wikis, where individuals and organizations create, discuss, share, and modify the UGC. Kietzmann et al. (2011) created the so-called honeycomb framework, which presents the seven functions – identity, conversations, sharing, presence, relationships, reputation, and groups – of social media and their implications to firms (Figure 7 below).

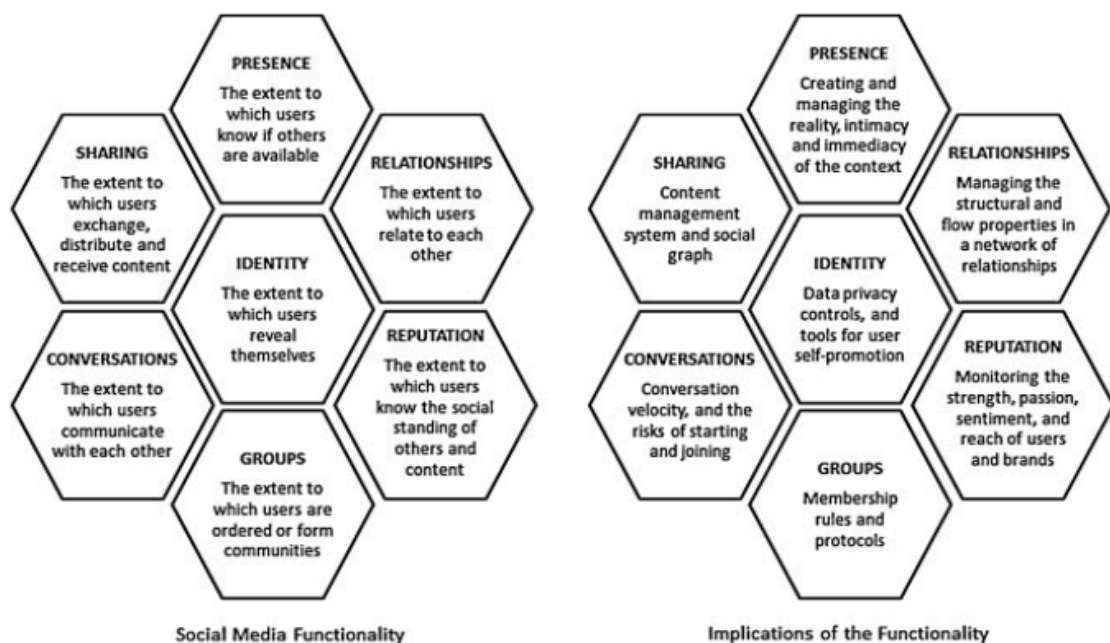


Figure 7. The functions of SM and their implications to firms (Source: Kietzmann et al. 2011).

Also, the Chartered Institute of Public Relations' (CIPR) Social Media Panel (2013), gives a similar definition of SM. According to CIRP (2013), SM is a term that is commonly used when talking about the Internet and mobile-based channels and tools that enable users to interact with each other, share opinions and content, build communities and networks, and encourage participation and engagement (CIPR 2013).

While, Berthon et al. (2012) claim that the terms Web 2.0, social media, and creative consumers are often used inaccurately and interchangeable since they are interdependent concepts. However, the concepts are conceptually separate. One way to separate and think about the differences between these concepts is illustrated in the figure below. As seen in the figure, Web 2.0 can be seen as technical infrastructure, series of technological innovations that enable inexpensive interaction between individuals and organizations as well as distribution and creation of UGC by creative consumers within SM. Thus, SM can be seen as the product of Internet-based applications that are built on the technological foundations of Web 2.0. (Berthon et al. 2012.)

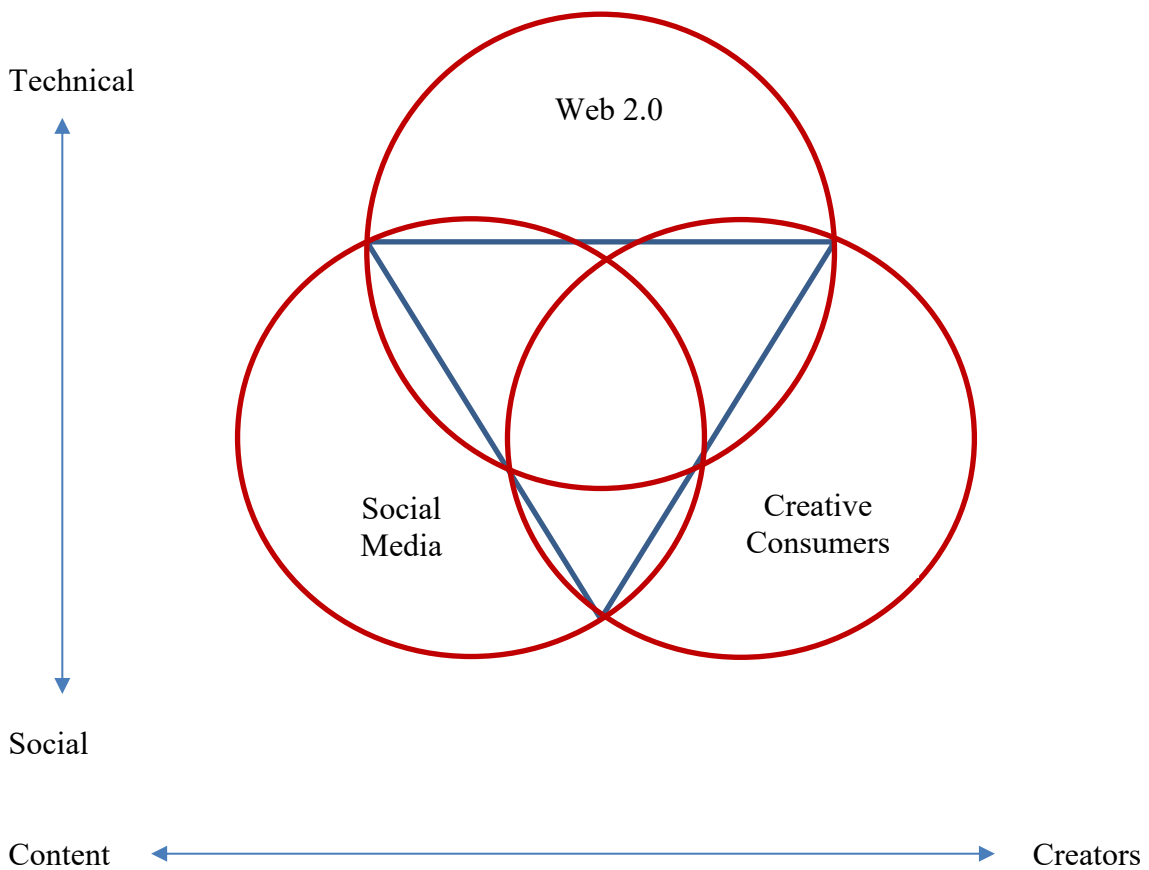


Figure 8. Illustration of the interdependencies of social media, Web 2.0, and creative consumers (Source: Berthon et al. 2012)

SM seem to be a complex concept that includes many channels and applications, with new ones continually coming. Tuten and Solomon (2018: 12) have grouped similar social media channels and applications into four zones – *Social Community*, *Social Publishing*, *Social Entertainment*, and *Social Commerce*. However, these zones are overlapping each other since “all SM are networked around relationships, technologically enabled, and based on the principles of shared participation”. This zone framework that is illustrated below in the figure is somewhat a combination of the social media categorization by Kaplan and Haenlein (2010) and the honeycomb framework by Kietzmann et al. (2011). But the four zones framework categorizes social media into broadening zones based on the functions of each zone, and thus focuses on the most critical functions of each social platform, including also those not yet invented. (Tuten & Solomon 2018: 12–13.)

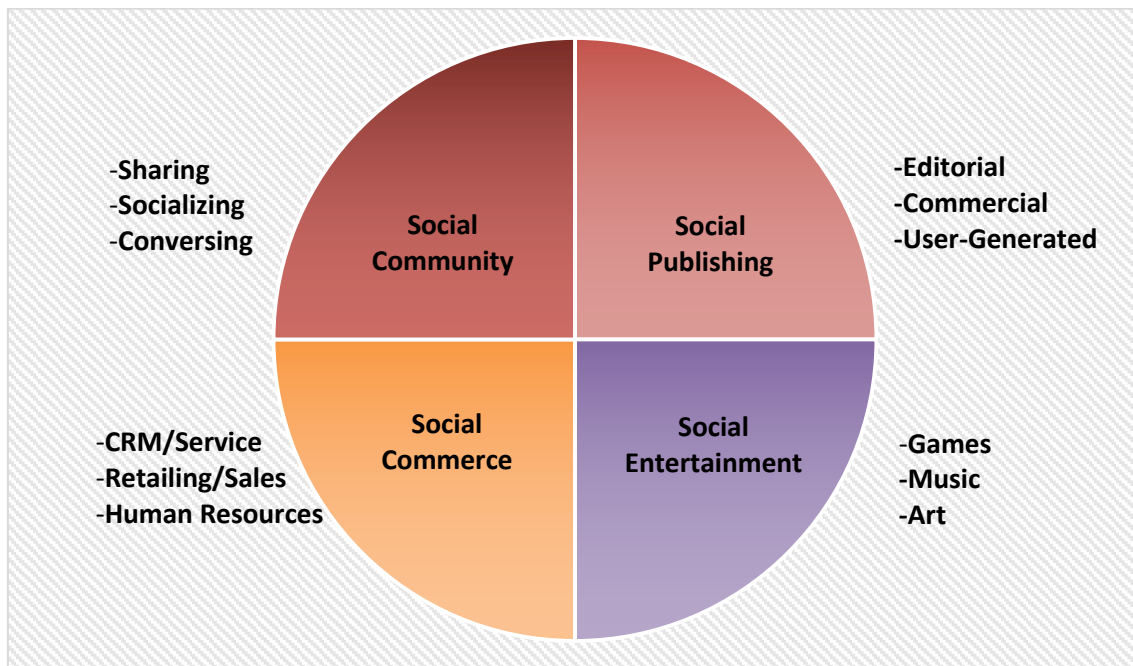


Figure 9. The zone framework of SM – The functions of each zones (Source: Tuten & Solomon 2018: 12–16)

As mentioned and seen in Figure 9 above, there are four zones of social media. The first zone, *Social Community*, illustrates channels of SM that focus on community: relationships and everyday activities that engage people with others who share the same interests or have the same identification. Therefore social communities emphasize two-way communication, conversation, collaboration, and sharing experiences and resources with others. Although all SM channels are built around networked relationships, in social communities, interaction and collaboration to build relationships are the main reason why people are committed to these channels. Most of the popular SM channels in which people are involved fall into this zone. (Tuten & Solomon 2018: 13.)

The second zone, *Social Publishing*, includes SM channels that focus on producing and publishing content within social publishing sites. These sites help distribute hosting content to the audience but also allow for the audience to participate and share content. While social community channels allow people to build relationships within interaction and collaboration, social publishing will enable people to share UGC. However, individual users are not only social publishers, but social publishers can also be independent professionals such as journalists, professional contributors associated with organizations such as news media, and brands that use social publishing as a distribution and promotion channel in content marketing campaigns. (Tuten & Solomon 2018: 14.)

While, the zone of *Social Entertainment* comprises events, performances, and activities that provide pleasure and enjoyment by using experienced and shared context. The distinction between social entertainment and social publishing is the kind of context is shared, entertainment versus knowledge. Whereas *Social Commerce* means the use of SM channels in the online shopping, buying, and selling of services and product within online marketplaces and communities and thus enables buyers and sellers within the network to actively participate in marketing and selling. (Tuten & Solomon 2018: 15.) All the channels included in these before mentioned SM zones and examples of these channels could be seen in the table below.

Table 2. Channels included in the SM zones and examples of these channels (Source: Tuten & Solomon 2018: 13–15).

Zone	Channels included	Examples of these channels
Social Community	Social network sites (SNS), message boards and forums, and wikis	Twitter, Facebook, LinkedIn, Google Plus, Snapchat, Instagram, Tumblr
Social Publishing	Blogs, microsharing sites, media (photo, video, music and audio, and presentations and documents) sharing sites, and social bookmarking and news sites	Blogger, WordPress, Squarespace, Weebly, Twitter, YouTube, SlideShare
Social Entertainment	Social games, social music, video, and social television	Spotify, YouTube, Come2Play, Second Life, MySpace, Candy Crush
Social Commerce	Social shopping, deal sites, deal aggregators, social shopping markets, social storefronts	Facebook, LivingSocial, Groupon, Snipi, Yelp, Etsy, TripAdvisor

As a summarized can be concluded that SM are widely defined concept, and there are a lot of different categorizations of SM. Also, there seems to be some confusion among researchers as to what these categories contain and how they can be divided. However, it can be noted that the researchers above agree that SM include Internet-, mobile-, and web-based applications, platforms, channels, tools, and technologies that allow users, consumers, and firms, to be “social” in terms of interacting, exchanging, creating, and sharing UGC. In practice, SM include several platforms where people and companies communicate and interact with each other.

3.3. The role of social media in SME's internationalization process

SM are nowadays a part of firms' internationalization strategy because SM channels and applications allow companies to be present in international markets and reach potential customers (European Commission 2014a). SM, where many companies are visible internationally, have changed the way modern companies operate, hire employees, and serve their customers. The UGC in online social networks (OSNs) enables companies to gain, for example, knowledge and reputation from foreign markets, which, on the other hand, allows firms to expand into new international markets. (Paniagua, Korzynski & Mas-Tur 2017.)

Bell and Loane (2010) examined the relationship between Web 2.0, open innovations, and internationalization, especially rapidly internationalizing SMEs, also referred to as born globals, global start-ups, or INVs. They come to the conclusion that co-creation and knowledge acquiring across the international boundaries enabled by Web 2.0 allow SMEs to have excellent networking opportunities that, on the other hand, allow them to build resources and gain knowledge from a "community of experts", also termed as "partner clients". In other words, Web 2.0 help rapidly internationalizing companies to build strategically significant B2B networks to increase knowledge and capacity. (Bell & Loane 2010.)

According to Panigua et al. (2017), the companies' activity in SM, especially online social network sites such as Facebook and Twitter, has a positive impact on foreign direct investments (FDI), and "activity stimulates foreign capital expenditure and new affiliates". However, the study focuses on multinational enterprises (MNE) that are active users of SM. According to the study, especially B2B companies could use social media by enhancing the knowledge transfer capabilities and networking with other companies for future international and foreign expansions. (Panigua et al. 2017.)

While Maltby (2012) suggests that SM may be an essential and inexpensive accelerator for technology start-ups in their early stages to enter global markets. Since internationalization involves explicit and tacit knowledge, entrepreneurs could use and leverage SM

networks to accelerate the internationalization process, develop relationships with customers and partners, as well as gain tacit knowledge about the needs of markets and customers. However, there is still not much knowledge nor understanding of how start-ups could leverage social media networks to accelerate its internationalization process. (Maltby 2012.)

While Jones, Borgman, and Ulusoy (2015) studied the role and economic impact of SM on small businesses. They found out that the use of SM increase the brand awareness, improve customer relationships, increase the number of new customers as SM are enabling to reach new customers globally and enhancing the image of small businesses. However, they argued that the lack of resources in small businesses could be a barrier to using SM effectively, and thus, small businesses should focus on consulting and training to overcome the lack of knowledge and resources. (Jones et al. 2015.)

In general, SM is seen as a useful way to enhance the firm's capabilities, especially in the context of international business studies (Panigua et al. 2017). Still today, it is argued in B2B companies, especially in traditional industrial companies, that using SM is only useful in B2C companies. Thus, the benefits or challenges of SM to B2B companies have received little attention in the academic, social media-related studies (Jussila et al. 2014). However, Jussila et al. (2014) have tried to narrow this research gap. They explored the external, especially customer- and partner-related, use, perceived potentials, and challenges of using SM by the Finnish technology industry B2B SMEs. According to Jussila et al. (2014), 29.6% of the studied B2B companies use social media overall and for internal purposes 28.8%. While only 12.8% of these companies use social media as an external tool, for example, to communicate or collaborate with customers or partners, sales support, marketing purposes, finding out customers' needs, or employer branding and recruitment. Also, it seems that the most used social media tools in the customer and partner interfaces among these companies were social networking sites, discussion forums, wikis, and blogs. The social networking sites, such as LinkedIn and Facebook, were the most commonly used social media tool both externally and internally, because of their "relative ease of use, ease of trialability, perceived advantages, and compatibility to current user needs and systems". However, the study shows that the most common barriers against the

use of SM in SMEs are other more critical projects, disability to evaluate the benefits of social media for business, lack of relevant case studies, resources, and understanding the possibilities, among others. (Jussila et al. 2014.)

Similar results were also found when Lakkala (2011) studied the use of SM in Finnish B2B industrial manufacturing companies, most of which were SMEs that also operate globally and have customers worldwide. The study showed that SM are only rarely used in the manufacturing industry in Finland. However, social networking sites seemed also to be the most popular tools for using, since 36% of the studied companies were using those with customers, and 29% with partners. Also, the study showed that the studied companies are using SM mostly for marketing purposes, communicating with customers, and employer branding and recruitment. (Lakkala 2011.)

Besides, Keinänen and Kuivalainen (2015) examined the use of SM by B2B customers in the industrial marketing context. They found out that SM services and applications are not commonly utilized with the key customers of the focal company. However, they noticed that B2B companies and marketers are increasingly looking into how they can more effectively leverage SM in their business purposes, such as networking, communicating with customers, and gaining valuable information. Also, the study revealed that executives that use SM for private purposes are also using SM for business purposes too, which on the other hand, leads that younger people tend to use SM for business purposes more often than older. They also found out that the most used SM applications for business purposes seemed to be business communities and forums, such as daily business newspaper web sites, SM networks sites, such as LinkedIn, and content sharing sites, such as YouTube. These findings are also aligned with studies by Lakkala (2011) and Jussila et al. (2014)

However, as mentioned before, there are no many studies regarding internationalization and SM. However, SM and Web 2.0 seem to have some positive impact on the firm's internationalization as previous studies suggest that Web 2.0 and SM help and accelerate internationalizing of companies (Maltby 2012), to build B2B networks (Bell & Loane 2010), as well as have positive impact on FDIs (Panigua et al. 2017).

3.4. Theoretical framework of the study

In this subchapter, the theoretical framework of the study is presented based on the previous literature about international networks and SM. The theoretical framework summarizes and combines the relevant theory of international business networks and prior studies of SM.

As mentioned, the previous studies and academic literature emphasize the importance of networks and relationships in the firm's internationalization process because international and foreign networks are affecting directly or indirectly on firms' business performance (Ritter et al. 2004). Besides, networks, for instance, help companies, especially SMEs, to find new growth opportunities, explore foreign markets, reduce risks and costs (Vasilchenko & Morrish 2011), as well as obtain knowledge, experiences, and resources from other parties within the network (Chetty & Blankenburg Holm 2000). Thus, in the framework, markets are seen as a network of relationships between domestic and international customers, suppliers, competitors, as well as other organizations and actors within the markets. The relations and ties between the parties within the network can be informal and non-business related relationships or formal and business-related relationships. Thus the international business network also contains the social network aspect that has been discussed earlier in chapter two by Chetty and Blankenburg Holm (2000), Zhou et al. (2007), Vasilchenko, and Morrish (2011), and Salvator et al. (2014).

Even though there are not lot academic literature on SM as the enabler of internationalization nor the importance of SM to the internationalization process of companies, the framework based on the research question of the study and the assumptions that SM enable to form international business networks and relationship. However, these assumptions are based on the previous studies by Bell and Loane (2010), Panigua et al. (2017), Maltby (2017), and Jussila et al. (2014), as well as studies that indicate that Internet may have positive impact on SMEs to reach new markets and customers and thus internationalization (Gabrielsson & Kirpalani 2004; Moen et al. 2008). In the framework of the study, SM applications and channels are seen as a tool or enabler for SMEs to form international business networks and relationships between customers, suppliers, competitors,

and other key stakeholders within the markets. SM are seen as Internet-, mobile-, and web-based applications, platforms, channels, tools, and technologies that allow companies, in this context SMEs, to be "social": interact, exchange, create, and share UGC.

4. RESEARCH METHODOLOGY

In this chapter, the methodological choices of the study are presented. The section includes philosophical assumptions, research approaches, as well as methods used to collect the data and description of the case company. Also, the characteristics of data analysis and techniques are presented. Finally, the reliability and validity issues of the study are estimated.

4.1. Philosophical assumptions and research approach

Research is a systematic process where data are collected and interpreted systematically with an explicit purpose to clear things out and find information that helps managers and businesses to make decisions. Thus, it can be said that business and management research is a systematic way to collect information about the company, customers, products, services, marketing, management, and so on, which can be used in the real-life business world (Sachdeva 2009: 2; Saunders, Lewis & Thornhill 2019: 5–6). To conduct a coherent study, the underlying philosophies of the study need to be clear and predetermined. The term research philosophy indicates “a system of beliefs and assumptions about the development of knowledge”. (Saunders et al. 2019: 130.) The research philosophy of this study is interpretivism. Interpretivism is based on the belief that people are interpreting the world and recognizes the “subjective meanings of social interactions” (Farquhar 2012: 20). Interpretivism is focusing on complexity, richness, interpretations, and meaning-making. In interpretivism philosophy, the researcher is not an outsider nor a loose observer, as positivism suggests, but an active producer of ideas and topics regarding the relevant form of knowledge. The interpretive researcher does not seek complete objectivity, but the researcher sees that it is valuable to understand the cultural realities and to try to understand what is meaningful for the participants of the research. However, the goal of the interpretive researcher is to be impartial and to achieve transparency in their research but also to create unique, new, broad understanding and interpretation of social concepts. (Farquhar 2012: 20; Saunders et al. 2019: 149.) The interpretive perspective is

relevant in business and management research because the business situations are complex, unique, and often involving interactions between individuals at a particular time (Saunders et al. 2019: 149).

The next step is to think about the appropriate research approach for the study. The extent of how the theory is used determines the research approach. Thus, whether the data are applied to theory testing or theory-building affects if the research is taking deductive, inductive approach, or a combination of these, the so-called abductive approach. (Saunders et al. 2019:152–153.) This thesis will take an inductive approach, which is also typically used method for interpretivism (Saunders et al. 2019:145). Besides, inductive reasoning, also informally called the “bottom-up” approach, is moving “from specific observations to broader generalizations and theories”. Thus, it can be said that inductive reasoning starts with specific observations and measures from which patterns, regularities, and preliminary hypotheses can be observed, followed by general conclusions and theories. (Sachdeva 2009: 24.) The inductive approach is chosen for this study because the theoretical framework of the study, which is presented in the sub-chapter 3,4., relies upon the theoretical models, previous research, and observations of both internationalization through networks and social media. However, this framework only works as a hypothesis and will be modified based on empirical findings.

When the philosophical assumptions and the approach of the research are decided, the next step is to make a plan how to answer the research question(s), clarify objectives and purpose of the study, as well as specify the sources from which the data are collected, and determine the data collection and analyzing methods. This step is called a research design. The research can be designed to meet either an exploratory, descriptive, explanatory, and evaluate the purpose, or even a combination of these. The way how the research question is asked will steer which of the above mentioned is the purpose of the study. (Saunders et al. 186–187.) The purpose of this study will be an exploratory since it aims to gain insights and clarify understanding of an unsure phenomenon – to understand which part SM play in SMEs internationalization. An exploratory study is also chosen for this study because it is flexible and adaptable to change (Saunders et al. 2019: 186–187).

There are three types of methodological choices: quantitative, qualitative, or mixed methods. Quantitative research methods are generally referred to as any data collection techniques or data analysis processes that produce or use numerical data, such as questionnaires or statistics. Further, relationships between variables that can be measured numerically and analyzed by utilizing graphical and statistical techniques are examined through quantitative research. While on the contrary, qualitative research methods are generally referred to as any data collection techniques or data analysis processes that produce or use non-numerical data, such as interviews and images. Thus, qualitative research explores the meanings of the participants and the relationships between them by interactive, unstructured, or semi-structured methods in order to develop conceptual frameworks and theoretical contributions. (Saunders et al. 2019: 173–178.) Besides, the qualitative methods are often used in business research in order to gain a better understanding of unclear issues or phenomena (Eriksson & Kovalainen 2008: 5). Since there is no much prior understanding of the phenomenon studied in this research, the qualitative research study is relevant for this study and thus exploited (Saunders et al. 2019: 187). More detailed explanations for the qualitative research strategy chosen for this study are presented in the next sub-chapter.

4.2. Case study research

After the philosophical assumptions, approach, and methodological choice of the study are defined, it is relevant to choose the research strategy. The research strategy is a “plan of action to achieve research goal”, in other words, the plan on how to answer the research question(s) (Saunders et al. 2019: 189). According to Eriksson and Kovalainen (2008: 7), nine different qualitative strategy approaches can be used in business research – case study, ethnographic, grounded theory, focus group, action, narrative, discursive, critical, and feminist research. However, case studies are the most common qualitative methods of business economics research. A case study refers to a study that investigates one or more cases selected for a specific purpose. (Koskinen, Peltonen & Alasuutari 2005: 154). According to Yin (2018), a case study is an in-depth study of a topic or phenomenon in real life. The ‘case’ in the study may refer to a person, a company, an organization, an

event, a change process, and many other types of subjects (Saunders et al. 2019: 196). Besides, in a case study, the amount of cases investigated is small, and usually, only one case is investigated (Koskinen et al. 2005: 154). A case study research allows the researcher to gain a particular understanding or insight into a current phenomenon in a context. It is also flexible and adaptable to research changes, allows for in-depth investigations, provides intensive information, and allows investigating a complex research problem. Besides, the case study research is a particularly appropriate way to explore, explain, understand, and describe phenomena, research problems, or questions in-depth and in context. (Farquhar 2012: 6, 41.)

According to Eriksson and Kovalainen (2008: 118), a case study research can be intensive or extensive. The intensive case study research aims “to understanding a unique case from the inside by providing a thick, holistic and contextualized description”. While, the extensive case study research aims “at elaboration, testing or generation of generalizable theoretical constructs by comparing several cases”. However, many researchers make the most significant difference between a single-case study and a multiple or collective case studies. (Eriksson & Kovalainen 2008: 118–119.) Intensive case studies are usually single case studies as they are focusing on finding as much information as possible on a specific and unique case or a few cases. The aim is to understand the case and develop an understanding of the case from the perspective of the people involved while extensive case studies are multiple case studies, and focusing on finding common patterns across various cases which can be generalized. (Eriksson & Kovalainen 2008: 118–120.)

The research strategy chosen in this study is an intensive single-case study. The intensive case study aims to understand how a particular case works in a business context and offer interpretations on the unique and specific case by the researcher and by the business actors participating in the research (Eriksson & Kovalainen 2008: 120). This strategy is chosen since the intensive single-case study allows exploring the subject under study in-depth, unique, and in revealing manners (Farquhar 2012: 42), and it provides an opportunity to examine and analyze a contemporary phenomenon that has not been much studied empirically (Saunders et al. 2019: 198). Also, a case study provides a practical approach to a complex and challenging understanding of business-related issues. On the other hand,

this real-life dimension of a case study approach has also been criticized as it has been sometimes “labeled anecdotal descriptions, with lack of scientific rigor”. (Eriksson & Kovalainen 2008: 116.) Despite the criticism, however, the case study approach applies well for a better understanding of changing and sophisticated business practices and research questions and problems in context (Eriksson & Kovalainen 2008: 116; Farquhar 2012: 41). In further sub-chapter, there will be a more in-depth discussion for selecting the case company and the company itself.

4.3. Case company selection

The case company selected for this study is a high-tech cleantech SME founded in Helsinki, Finland. The company is intentionally presented anonymously, as it was requested by the company’s managers. The company has scaled up as it has grown in the last two years by a few dozen people and expanded into new markets in recent years. Currently, the company is employing 30 people and has established a field office in the USA in early 2019. The company has operated international markets since its inception and done projects with almost all the continents, but the company is mainly focusing on the European, Japanese and both the South American and the North American markets. It has international customers within several continents and industries, but the primary targets industries are customers within pulp and paper, food, energy as well as oil and gas industries.

This company was chosen as a case company because as industry cleantech is global and significant for the Finnish economy, opening up new international growth opportunities for Finnish companies (Leinonen 2019). Besides, the company is active in SM, and they have especially started to focus on their SM presence since 2018. The employees and managers of the company actively use corporate SM channels, mainly blogs and SNS, such as Twitter, LinkedIn, Facebook, and Instagram.

4.4. Data collection

The empirical data were collected through interviews. Research interviews may be classified into different types depending on the level of interview structure or standardization of interview and the way that the interview is conducted and several participants in the interview. The level of standardization defines whether the interview is standardized or non-standardized. Also, another form of differentiating internationalization types is the level of structure, when the interview can be divided into structured interviews, semi-structured interviews, and unstructured interviews. Semi-structured and structured interviews refer to standardized interviews, while non-structured interviews are non-standardized interviews. Structured interviews are conducted through research-completed questionnaires, where the questions are pre-determined and used to collect quantifiable data; thus, structured interviews are also referred to as quantitative research interviews. While semi-structured and unstructured interviews, also referred to as in-depth interviews, are non-standardized. These types of interviews are guided by themes or critical questions based on the theory. (Saunders et al. 2019: 436–438.)

The qualitative method chosen for conducting the case study approach in this research was a semi-structured interview. This method is chosen because exploratory research is often conducted through interviews, primarily through semi-structured or in-depth interviews (Saunders et al. 2019: 187, 444). Also, many qualitative interviews within business research are conducted through semi-structured-interviews. By nature, a semi-structured interview is flexible and used to answer both ‘why’ and ‘how’ questions. (Eriksson & Kovalainen 2008: 82.) Besides, the semi-structured interview allows a more in-depth analysis of the subject and phenomenon (Saunders et al. 2019: 437–438) since semi-structured interview provides an opportunity for interviewer to ask specific refinements to previous questions and interviewee’s answers, and thus allows to understand the underlying reasons for the interviewee’s decisions, opinions, and attitudes. This is especially important when the research is based on an interpretive philosophy, where it is vital to understand the meanings that participants associate with various phenomena. (Saunders et al. 2019: 444.) The benefits of using semi-structured interview is that the interviewer has prepared and somewhat systematic outline of topics, themes or issues, but at the same time it is possible to change the wording and arrangement of the questions during the

interview which in turn allows the nature of the interview to be informal (Eriksson & Kovalainen 2008: 82).

Altogether seven semi-structured interviews were conducted in the case company in December 2019. Six of the interviews were conducted as a face-to-face interview, and one of the interviews was conducted internet-mediated through Skype. Three of the interviews were conducted in Finnish and four of them in English. Because the researcher is fluent in both languages, there was no need to use the back translation of the interviews. The interviews lasted to 25 minutes to one hour, so that the average time for the interviews was 35 minutes. Each interview was recorded, and the initial information was taken during the interviews. Every interview started with a short introduction in which the purpose of the research was presented. The interviewees were told that the data would be treated confidentially. The semi-structured interviews were conducted based on the outline of the research questionnaire. However, the order of the questions and the tone and wording of the questions varied between interviewers accordingly the position and talkativeness of the interviewees. This was also influenced by the direction in which the interview went. The interviewees consisted of four managers and three employees. The Chief Executive Officer (CEO) and the Chief Sales and Marketing Officer (CSMO) are also co-founders of the company. More detailed information on the interviewees is seen in the table below.

Table 3. Summary of the interviewees

Title	Years worked in the company	Location	Nationality	Gender
Chief Information Officer (CIO)	2 years	Helsinki, Finland	Finnish	Male
Account Executive 1	1, 5 years	Helsinki, Finland	French and Finnish	Male
Account Executive 2	1,5 years	Helsinki, Finland	Japanese and Finnish	Male

Marketing and Sustainability Specialist	1 year	Helsinki, Finland	Finnish	Female
CEO Americas and Global Marketing Director	3 years	Las Vegas, USA	Costa Rican and Finnish	Male
Chief Executive Officer (CEO)	5 years	Helsinki, Finland	Finnish	Male
Chief Sales and Marketing Officer (CSMO)	5 years	Helsinki, Finland	Finnish	Male

4.5. Data analysis

Qualitative data analysis more an interactive, iterative, gradual, and reflective process than a mechanical process (Saunders et al. 2019: 638). In this study, the analysis of the data were done based on the thematic analysis because it is a general approach to analyze qualitative data, and it is flexible for all research philosophy. However, since this study relies on interpretivism, the aim was to find different interpretations of the phenomenon studied. (Saunders et al. 2019: 651–652.) First, the written transcript of the audio recordings was done. Second, each transcript was read through, and the first notes were taken. Then, the transcripts of each interview were highlighted and coded based on the relevance of the data. Some of the codes and themes were predefined as they based on the theoretical discussions in chapters two and three. However, because the study is based on the inductive approach, it also allowed the use of emerging codes and themes that were appeared from the data. After these codes were identified, the codes were collected in separate groups so that similar codes with similar meanings were put in the same group. This allowed noticing the common patterns and meanings that were repeated through the data gathered from interviews. The generating of themes was done after this. These themes were then gone through again and combined. After this, each of the themes was named and defined more clearly (see the defined themes in chapter 5).

4.6. The trustworthiness of the study

Reliability and validity are the most common criteria to evaluate the quality of research. (Saunders et al. 2019: 213). Reliability indicates to reproduction and consistency. If another researcher can repeat the same study and make similar findings, the study is considered as reliable. (Eriksson & Kovalainen 2008: 292; Saunders et al. 2019: 213.) Whereas, the validity of the research refers to the relevance of the measures used, the accuracy of analyzing results, also called as internal validity, as well as the generalizability of the findings, also called as external validity (Saunders et al. 2019: 213–214). Also, validity refers to the extent to which the conclusions and findings of the study are giving a precise explanation of what happened; thus, it can be said that the research is valid if the results are accurate and sure. (Eriksson & Kovalainen 2008: 292.)

However, there are contradictions within qualitative researchers and literature, whether the accuracy of interviews or observations can be measured by these standard criteria of research quality (Eriksson & Kovalainen 2008: 292). Validity and reliability are seen as appropriate measures for evaluating quantitative research, which is based on positivist assumptions. While validity and reliability measures are generally considered philosophically and technically inappropriate way of measure the quality of qualitative research that is based on interpretive assumptions where reality is seen as diversely and socially constructed. If qualitative research is rigidly judged against these two criteria, qualitative research is difficult to prove quality and credible (Saunders et al. 2019: 216). Lincoln and Guba (1985) have introduced parallel terms for the standard criteria and changed the word reliability into dependability, internal validity into creditability, and external validity, also known as generalizability into transferability for evaluating the quality and trustworthiness of the qualitative study. However, this study will be evaluated based on reliability and validity because of this research based on the assumptions that all researchers need to be reliable and valid (Saunders et al. 2019:216). Also, Morse, Barrett, Mayan, Olson, and Spiers (2002) have argued that validity and reliability are appropriate concepts also within qualitative research as with them can be achieved the necessary rigor. Thus, the use of these terms is also essential in qualitative research in order to demonstrate the quality and comparability of this research. (Saunders et al. 2019: 216.)

4.6.1. Reliability

Notably, in semi-structured interviews, the lack of standardization can cause concerns regarding reliability. The concerns regarding qualitative research are the availability of similar results and information when other researchers are studying the same topic. Also, reliability in qualitative research is associated with bias. There are three aspects of bias to consider – interviewer bias, interviewee or response bias, and participation bias. Interview bias is related to the interviewer’s comments, spoken behavior, or inability to gain the trust of interviewees, which causes bias in the way interviewees answer the questions. It is also possible for the interviewer to show bias in the interpretation of the answers. This is also related to the bias of the interviewee or respondent. This may occur due to the interviewee’s views on the interviewer or the perceived bias of the interviewees. However, this is not necessarily related to the interviewer him- or herself, but the interviewee may be reluctant to disclose or discuss the topic the interviewer is investigating, as this may lead to challenging questions or sensitive information that the interviewee does not have the authority to discuss. The result may be that the interviewee gives only a partial picture of the subject. This can, in part, result that the interviewees are giving only a partial picture of the subject because they do not want to give too positive or even negative pictures of the organization they work for.

Bias may also be due to the nature of the individuals or organizations being interviewed. Besides, the time needed for the interview may lead to a reluctance to participate in the interview. Other biases to concern may be related to cultural differences between the interviewer and the interviewee. (Saunders et al. 2019: 447–448.) However, findings that have been obtained through semi-structured interviews are not necessarily intended to be replicable as the findings reflect reality at the time when they were collected, and the situation may change. The value of using semi-structured interviews is that they are flexible and can be used to explore complex topics. (Saunders et al. 2019: 449)

To ensure that this research is reliable, the design of this study, the reasons behind the choice of research strategy and methods chosen as well as how the data are obtained and

analyzed are detailed presented in the sub-chapters 4.1.–4.5. On the other hand, the references in the theory part of the study are presented clearly and expediently so that they can be easily found and researched by other researchers. Moreover, to increase the reliability and minimize the bias during the interview, the purpose of the research, as well as the questionnaire outline, were distributed to the interviewees before each interview in order to see that the questions and the themes were clear, understandable, and well-formulated. During the interviews, the questions were clarified when necessary to minimize the risks of misunderstanding the questions and themes. It was also highlighted that all data collected through interviews would be treated anonymously and confidentially, to minimize especially the bias of interviewee or respondent.

4.6.2. Validity

The validity of the data obtained from semi-structured interviews and case study research is not generally seen to be an issue as generalizability does. Thus, concerns regarding the generalizability may raise when using only one case or a few cases, and thus is not to make statistical generalizations. (Saunders et al. 2019: 451.) To minimize the concerns regarding the generalization of a single-case study, the selection of interview participants were made to get the broadest cross-section possible. The interviewees were working in different roles and positions with different backgrounds, ages, and nationalities. However, this research aims to outline and explore the phenomenon of how SM enables building international business networks of SMEs. Given that there has been little research on the subject, the findings cannot be generalized. Instead, the aim is to explore the subject and develop the theory based on the analysis of a particular case and findings.

In order to ensure and increase the internal validity of this research, the questionnaire outline, as well as the framework of the study, were based on previous literature on network approach to internationalization and SM. The validity also refers to the creditability and quality of the study, which was increased by presenting a theoretical background of the study by critically analyzing and using a variety of references, previous studies, and literature about the subject. Also, the theoretical findings were then combined with these

previous studies. Besides, the fundamental concepts of the study were explained and analyzed in the theory part of the study to increase the internal validity of the study. The interviews were carefully planned and executed, and the transcripts of the interviews were sent to the interviewees after each interview to ensure that the researcher was not able to influence the data. Thus, the validity of the research was increased by using and analyzing the exact quotations of each interviewee.

5. FINDINGS

In this chapter, the data collected and findings from the conducted interviews are presented, analyzed, and described in detail. This chapter complies somewhat with the interview questionnaire outline and the framework of the study, but the themes presented are modified based on the data analysis. The chapter starts with the overall observations from the interviews and then dive further into the findings regarding the network approach. The results are discussed further in the next chapter.

Even though the purpose of this study is not to focus on the reasons why B2B should be or are active in SM, all interviews seemed to agree that the importance to companies of being visible in SM is growing in the future. Generally, SM were seen as a useful tool for being visible and building brand awareness, finding and creating new contacts and networks, as well as reaching the right and broad audience, and searching information about possible customers, suppliers, competitors as well as products and services offered by individual companies. In other words, SM were seen as an easy and fast tool for SME to increase visibility and search information on what is going on in the markets for a particular industry segment or in the particular marketplace as well as potential partners and customers.

5.1. Most useful SM channels and applications for B2B SME

One of the themes that were discussed with the interviewees was the SM channels and applications and their usefulness for business and networking purposes. The findings show that the most useful and applicable SM channels for business and networking purposes seemed to be SNS, such as LinkedIn, Twitter, and Facebook, but also the online newspapers and journals as well as the company's blogs. LinkedIn was seen as the most useful SM channel for businesses because it is considered as a professional channel where you can effectively connect and communicate with already existing networks, contacts, and relevant stakeholders, but also with potential networks of professional

people around the world. While, online newspapers or journals, especially industry-specific, were seen as an excellent way to keep updated within industry-related news and way of finding new potential customers. Also, the company's blogs that are related to the company's website were seen as beneficial platforms to the company because they attract potential stakeholders and other professionals within the markets, and the blogs get, for example, customers to contact and ask more about the company itself.

“LinkedIn is definitely the number one, because it is immediately identified as professional. Then you still have Facebook that is generalist enough that you can really reach everybody because most people have Facebook. So I would put linked in one Facebook two.” (Account Executive 1)

“Twitter and LinkedIn, those are two main channels that helps to not only with the reachability to right decision makers but also like to stay active and close to the industry. Also, I would like to add the blogs, so social publishing. I think it's an important part of a website, because it's providing information that is not so official yet factual. Also, because when we were contacted by the customers, they often mentions about our blog where they have read about our technology. Also, because there are industrial decision makers that are perhaps not so active on social networking channels, yet, they follow the new technologies etc. So, it is, again, like this networking type of thing that can be move forward in the form of word of mouth.” (Marketing and Sustainability Specialist)

“A social network system LinkedIn, because I only have people with whom I have worked before or done projects with, and very little amount of people who I just know from the sort of the friendship. So basically, even though I might not be focusing on exactly the same industry, compared to now with my previous employer, but still there are a lot of like relationships. So they can be something directly useful for my current work, even though the contract has been from my previous working place. So LinkedIn has been the major one when it comes to the social network system and business-related issues. But then like any business journals in Finnish or

English or Japanese which are like business oriented, industry specific newspapers, online versions, I use daily to keep myself updated so that I don't stay behind and I don't lose the chance to offer our solution to the potential customers.” (Account Executive 2)

“LinkedIn and Twitter, because it will lower the cost of selling acquisition and are effective way for gathering leads. Also, a LinkedIn it's really good as a communication tool for maturity.” (CEO Americas and Global Marketing Director)

“LinkedIn is a professional channel, which enables communication with important stakeholders.” (CEO)

“LinkedIn and other foreign SNS, such as xing that is used in German speaking countries, are professional channels and good way of gathering leads.” (CSMO)

5.2. International business networking aspects of social media

As the aim of this study is to focus on the network approach and its relation to SM, the interview questionnaire outline was also built on focusing the networking aspects and forming network relations, especially B2B networks via SM. Thus, the interviews focused on these topics and themes. However, three themes notably emerged during the data analysis. These themes are introduced with interviewees' quotes below sub-headings.

5.2.1. From visibility to credibility and brand awareness to creating networks

The visibility, brand awareness, and credibility aspects of SM were emphasized in almost every interview, and these were seen as mutually supportive aspects when forming and creating new networks and contacts. Notably, the SM were seen as a tool for companies

to build credibility towards other stakeholders, but also as a way to verify the credibility of a potential partner or a potential customer.

“Nobody does anything with you unless your existence is known, and on the other hand your existence is verified via the partner networks of SM. In order to get the relationship built today, you need to have the verification about a company or a people. Thus, for example, you will be searched on google and verifying that you have the specific SM channels to ensure that you exist” (CSMO)

“Social media is for brand enhancement, to increase brand awareness and a very quick way to qualify the reliability of a potential or existing partner” (CEO)

“The whole idea why we are active in SM is visibility and to get more recognition. So that when you are in SM from my perspective it is really about communication and credibility. Everything starts from the eyes. So, if you look good online, and if you can build your reputation there then people will start to take more into you, and sending some messages with question for further information etc. They will kind of start know you from there. So, SM is a way of telling about your company and the earliest stage of brand awareness so that they start to relate more to your brand and then trust you. So basically, it is for visibility, credibility, and brand awareness, either in both personal or business side.” (CEO Americas and Global Marketing Director)

During the interviews, the visibility aspect was quite often combined also with the easiness aspect – SM were seen as an easy way for companies to gain visibility through which on the other hand arouse the interest of potential customers or suppliers in contacting the company and through which the brand awareness and credibility of the company are generated. Especially, being visible and telling about the company itself were seen as an essential character of SM to get potential customers, partners, and other crucial stakeholders in the markets get interested in the company and get others to contact.

“SM bring companies invisible visibility. On other words it is easy way of being visible and tell about the company itself to get people and other companies to get other companies interested in you.” (CIO)

“It is important to be visible in SM, because it helps you to reach right people. In my work, I am using SM for online branding, to promote our existence, advertising our technology and to provide like specific information about our technology because our solution is very unique, so it is really important to enhance the awareness about the problem that we are solving with our technology. It help us to connect with the potential companies that we can help with the issues that our company is providing solution for. ” (Marketing and Sustainability Specialist)

5.2.2. From information search to creating new networks and to maintaining the network relations

The information and knowledge searching appeared to be another vital part of SM to searching contacts and thus creating new networks. SM were seen as an easy and fast way to search information, not only about the foreign industries and markets to which entry is desired but also other actors, such as suppliers, potential customers, partners, as well as agents and other actors impacting the entry to new foreign markets.

“SM is a channel to tell about yourself, in the same way it is a way to track what your competitors do, could say that SM provide a significant amount of information from others and a way to keep track of what is going on in the markets” (CSMO)

“I would tend to say SM is more likely to help to find a kind of partner or distributor if you look to find a distributor from some foreign country, it will help you to find this on” (Account Executive 1)

“Business word I think if you have not just industries, but if you have like a focus group of companies that you should be targeting for your work, so in my work, it's to find who can be interested in the solution that I am trying to sell. That's definitely how I would and also the company that I work for should use social media information. It's almost impossible with the so much amount of information what's around here that without like a social network or anything online, if you cannot filter them, I think you just spend too much time trying to find out what's important for you. Because you can digitally filter any information so easily so that not only the industry but you can find like a specific company who can be

your potential customer. So now that the filtering possibility of the digital information makes SM like really important in my opinion,” (Account Executive 2)

Also, information searching through SM applications and channels were seen, special for young small firms, as an effective, fast, and cost-effective way of learning about the competitors, as well as potential partners, which on the other hand leads to finding and creating new connections with customers and partners.

“SM is also about for the educating and learning purpose. So educating oneself for example about trends and competitors. SM really help us as a company to also extent our knowledge about industries, not only ours as a cleantech, but also in general. So what kind of challenges for example other industries are and can we provide our solution to those companies within the industry, And that is how we get connected with potential customers, competitors or suppliers. Thus, the knowledge in SM really helps to create new connections, not only customerships but also partnerships.” (Marketing and Sustainability Specialist)

“ So the major purpose is to gather information so that I can keep myself up to date in relevant industries for my work. And not just SM but also, for example newspapers and journals that have websites, you can easily sort and filter information so that you do not have to go through millions of pages to find the information that you need. It is almost impossible with the so much amount of information what's around here that without like a social network or anything online. So, SM enable digitally filtering of any which makes the information searching much easier than, for example offline information gathering” (Account Executive 2)

SM were not only seen as an effective way of searching and finding information but also as a way of networks to pool and share knowledge and information. Also, SM were seen as an effective way of utilizing contacts and introduce networks to one and another – way to bring some potential partners or customers together.

“If somebody gives me some useful information through LinkedIn, which he or she thinks is useful for me, then I try to give back even if that person is no longer my customer or my coworker, I try to kind of do the given take. So sometimes I take the initiative that I give some useful information, or sometimes I even hook up people that I know that they are not yet connected. So I hook them up, especially when it comes to like Japanese companies in Finland or Finnish companies going to Japan. I do it very often, so that I don't have to be the main person. But as long as I can connect the companies or the people. So it's like then they usually recommend me to connect with somebody else that I don't know. So it's always a give and take how I see as a very useful way to use maintain in business.” (Account Executive 2)

The last findings regarding this theme were that that after forming and creating these new networks and contacts, SM were not seen as a continues way of building and maintain relationships and networks, but it was rather seen as any other supportive tool for helping to maintain and forming these relationships and networks.

“I see SM in the purely utilitarian point of way. They are here to support you with other ways of forming relations. For example, you go to fair to shake hands, and then people check you on SM. It is a pure tool. They will meet you first somewhere and then they will check what you have on SM. So it is a kind of strengthening tool to strengthen what you are doing. It make you look better, and it is successful if you give a good impression and it makes you look better.” (Account Executive 1)

“Social media is like the initial steps in a relationship, in my opinion. So you need to be active there. But at some point, you need to take that either to emails, newsletters, offline meetings, phone calls and so on. It's a lot easier to have further conversations with a person that already know what you're doing and what you've been up to. And this is where social media comes in.” (CEO Americas and Global Marketing Director)

“In some cases SM will really help to just form the relationship as even kind of like confirmation type of messages. So, you are confirmed to attending this event or you are confirmed to have this business case and we want to work with you. But then like on the flip coin size side is that when it comes to customer relationships, it will be really difficult if almost like impossible to have a customer relationship without actually meeting the customer or having any kind of interactions. So social media in that context is just like an enabling mechanism that helps to

stay connected, and to contact customers.” (Marketing and Sustainability Specialist)

However, the interviewees agreed that SM help find and contact with new networks – as an initial step in forming relationships, getting new contacts, generating leads, as well as a supportive tool to maintain those. But, the interviewees agreed that, especially in the B2B business world, the most useful and effective way of form and maintain a long-term network of relations is still considered when meeting people face-to-face (F2F).

“SM is a good way of create a contact, to get leads, and catalyst in the first step of the relationship. But after that, it is a way to maintaining the relationship, but lesser than in the initial stages of the relationship. However, in the business where we work, building and maintaining relationships is more important F2F.” (CEO)

“I use SM to maintain relationships. However, you cannot understand a person if you don’t have an active F2F conversation with people. SM will always be a channel, but I believe that the importance of relationships in the business will be greatly strengthened in the future, because in reality you can only verify a person by meeting him/her personally” (CSMO)

“In my opinion meeting people F2F in the same field for example in some fair, is better way of making connections. So I think F2F meetings and events are more important and efficient ways of building a relationship than for example in LinkedIn.” (CIO)

Further, even though the purpose of this study is not to focus on cultural differences. Those were also highlighted when discussed international business networks. Therefore, it is crucial to understand that in some countries, it is not reasonable to use SM channels or applications for even to the initial steps or as maintaining tools of the relationships because there are countries and cultures, such as Japan, which are behind of the scene of SM. Besides, some cultures value more i.e., trust-building in a relationship, and it is not even possible to form a relationship or get into the network before meeting F2F. Also, the

F2F meetings and discussions, for example, with customers help strengthen the relationship in a way than virtually via SM is not even possible.

“Japanese way of understanding and using like business-oriented SM services is very old fashioned compared to the Finnish way. There is like really huge cultural differences especially when it comes to what is that accepted and what is not. So for example, LinkedIn users are like very limited in Japan. And they have their own. But that's also very limited in terms of users, because people still have a very traditional, old fashioned way of seeing like in face to face. And if that's not possible, then phone call, if that's not possible then emails, and if that's not possible, maybe like social media. But Japan is like, in this sense in 10 years 15 years behind, at least behind Finland.” (Account Executive 2)

“There is nothing like a good old handshake. Look someone into the eye and say what you're thinking. It just takes the relationship the whole new level ones you have meet the person. They trust you if they meet you and you continue to meet them and then discussing with them then it could lead to really good business for both of the companies. And even now that for example, the experience that I've had in California with meeting with companies, after you meet them and then you start again another conversation, then it's so different to talk to this person and I don't think social media will never replace that. And even now I say that meeting face to face with persons it's even more valuable because everyone knows that everything is now online and you don't necessarily need to meet anyone face to face. If you meet face to face that speaks a lot about you and your company also that you are actually taking the time and also resources to fly over and meet the other company and that's why it's very valuable for a relationship.”(CEO Americas and Global Marketing Director)

5.2.3. From employees' SM image to creating networks to boosting the company's SM image

The last findings regarding the networking aspect of SM were related to the use of SM, especially the people behind the SM channels and applications. Even though the company's employees and managers actively use the company's social media channels, the interviewees saw that the networks and relationships are not created or formed through the company's social media channels, but by the employees and managers own social media

channels. This was considered particularly important because it brings confidence and credibility if people are having interactions and conversations with one another rather than "faceless organizations". Besides, it seemed that employees' and managers' networks and relationships, which might be previously through SM or F2F in some industry-related events or through friendships, are imported into the company when a person starts working for the company.

“Interesting in a point in a way that it's not just about the company's social media, but also the personal social media so that it's more credible if a person will start that conversation. It is more personally if a human being writes to another one instead of grants. So that's why in my opinion, both needs to be in place, not just the company's page, but also employees. And this is where also we as a company has been pushing, so that at least our employees have LinkedIn that that speaks will also have the company if anyone wants to reach out to someone in our company, they can do it on LinkedIn as well.” (CEO American and Global Marketing Director)

“The company does not create networks by its own SM channels, but the people behind the company and their own SM channels are way of building networks. We are all individuals within the network in a company, and thus each individual brings their own networks, created by the individual, depending on how well they represent the interests of firm.” (CIO)

“I'll use the term like social relationships that are formed through social media. It's perhaps not like directly formed with our company, but it's formed with our employees that are more present, let's say in those events or have presented our technology in a showcase. So people recognize that and then value that in the one I like have this connection because they can always come back and in contact as in the sort of issue or just to suggest okay, actually, I'm not from the industry I'm not from this company, but I know someone from let's say x industry from x company and I think your technology won't be very compatible to that. So, already that kind of a network is already assume it's already a relationship of some kind business wise in such contexts, like social media, it is enabling and very supportive format for that.” (Marketing and Sustainability Specialist)

“People doing business with people” (CEO)

Besides the confidence and credibility aspects of using and forming business relations through employees, personal SM channels and applications were considered essential to building relationships and networks between people to make the connection personal to enable business and to facilitate content sharing and visibility. In other words, the interviews revealed that the use of SM by the employees or managers of a company allows the forming and creation of network relations, which then contributes and boosts the company's own SM image.

“That's the first point of contact. And once you get that connection with this person, then you get to be at a more personal level on LinkedIn. So then from there, then LinkedIn is very useful if you bear for the strategies of corporate page and personal page. But if you only use the corporate page, it without connecting with some leads and linking it they might not even see the content that you're sharing on the corporate page.” (CEO Americas and Global Marketing Director)

The findings are discussed and analyzed further in the following chapter. Also, the propositions of these findings are presented.

6. DISCUSSION AND CONCLUSION

This is the final chapter of this research, where the findings are analyzed and discussed more in-depth. Besides, the research question will be answered. The theoretical contributions and the potential future research areas are proposed. At the end of this chapter the managerial implications are presented.

6.1. Discussion

To summarize the findings, SM were seen as a supportive tool for SME to gain not only visibility and credibility but also search information about the markets for a particular industry segment or for the specific marketplace as well as potential partners and customers which on the other hand help to create and form new international network relations. Besides, the company's own social media channels or applications were not considered themselves to be as enablers to build international business networks and relationships, but more the employees and managers, the people behind the company, and their own SM use and activity. Moreover, SM were seen as a supportive tool for gaining needed visibility to gain trust and to generate interest in the eyes of potential network, as a supportive tool for finding information and pooling knowledge with potential and existing networks, as well as a supportive tool for maintaining and forming a current relationship or as an credible booster for initial steps of creating networks. However, human interactions, such as phone calls and F2F meetings, were still seen as an essential way of forming, building, and maintaining international business networks of relations.

SNS, online newspapers, and journals, as well as the company's blogs, were considered as the most useful and vital SM channels and applications for SME for business and networking purposes. These findings are aligned with the research by Lakkala (2011), Keinänen and Kuivalainen (2015), as well as Jussila et al. (2014).

Further, the objective of this research was to explore and answer the research question: *How do social media enable building international business networks of SMEs?* The findings show that SM enable building international business networks in SMEs in three different ways. These three mechanisms, which show how SM allow new international business networks relations for SME, are discussed further in the following sub-chapters.

6.1.1. From visibility to credibility and brand awareness to creating networks

The findings address that SM are seen as an easy way for a SME to gain visibility through which, on the other hand, attract the interest of potential stakeholders to contact the company and thus enable the company to create new international networks. This, in turn, results positively to the brand awareness and credibility of the company.

These findings correlate, for instance, the study by European Commission (2014a), where SM channels and applications are seen as an enabler for companies to be visible in international markets and thus reach potential customers. Besides, the visibility in SM affect that the other B2B stakeholders are active and are contacting the company itself. Even though there are not many studies on the subject that are focusing on B2B companies, the findings are aligned with B2C research mentioned in the introduction part of this research. Notably, the results are in-line with the researches by Henning-Thurau et al. (2010) and Tsai and Men (2017), where they studied the relationship between networks and customer engagement. These studies showed that customers around the world are no longer passive, but they are active market players who interact with the companies, and together with them, build brands and networks with firms and other consumers. Also, the customers are seemed to be visible to reach and be reached anywhere and anytime (Henning-Thurau et al. 2010), which on the other hand, helps to build connections with customers across country boundaries (Tsai and Men 2017). Also, when it comes to brand awareness, that is seen indirectly as a result of visibility in SM. Jones et al. (2015) have suggested that the brand awareness of small companies will increase and attract new global customers as they are active in online presence.

Based on the analysis of the results, the first proposition can be drawn. In this proposition, the SME's visibility in SM is seen as an input that leads to opportunities to company to form an international business network relationship. While, brand awareness can be seen as a result, as these networks then bring brand awareness to the SME. Thus the first proposition is as follows:

Visibility in SM positively influences creating new international business network relations, which in turn positively impact brand awareness.

6.1.2. From information search to creating new networks and to maintaining the network relations

Second, the findings suggest that the information and knowledge searching are an essential part of SM to find foreign and potential stakeholders to create new international networks and finding foreign markets. This, on the other hand, leads to gain and pooling knowledge within these networks and thus helps to maintain the relationships in these networks.

These findings correlate with the results by Maltby (2012) who suggested that SM is an essential and inexpensive accelerator for start-ups because, with the use of SM networks, firms can gain knowledge about the needs of markets and customers, which on the other hand develop the relationships with customers and partners. Also, these findings are in-line with research by Bell and Loane (2010), who stated that Web 2.0 enables co-creation and knowledge sharing across the international boundaries, which on the other hand, creates networking opportunities and to gain understanding, build resources and thus increase the capacity of the firm. Also, Panigua et al. (2017) suggested that B2B companies could use SM for knowledge transfer and networking for foreign expansion.

Also, the revisited Uppsala model assumes that the market knowledge effect directly on the committed to a network of relationships, which in turn affects whether the firm is

increasing or decreasing the commitment in a specific network. Thus, the change in the network commitment will affect how the company maintains certain network relations to either strengthen or weaken the relationships with the other actors of the network. The firm can either create new relationships by combining the networks or protect or support the existing network by focusing on strategic relationships. (Johanson & Vahlne 2009.) These network relations also lead that a firm can obtain knowledge, experiences, and resources, and especially SMEs can benefit from pooling resources with other actors of the network (Chetty & Blankenburg Holm 2000).

Thus, the second proposition is based on that information searching in SM about foreign and potential stakeholders enables the company to network with international network relations, which result in SME to maintain these relationships based on how useful these networks are for itself. The second proposition is as follows:

Information searching in SM positively influences creating new international business network relations, which in turn leads to how SME maintains relationships within these networks.

6.1.3. From employees' SM image to creating networks to boosting the company's SM image

Surprisingly, the findings indicate that employees' and managers' image in SM and how employees and managers are using the SM effect, creating international network relationships than using the company's SM. This is because of the confidence and creditability aspects when people interact with other people rather than some "faceless organizations". Thus, it seems that the employees and managers are creating the international business network relationships, affected by them SM image, which in turn indirectly emphasized the SME's SM image.

These findings refer to researches of born globals and INVs, where the especially managers are building the international networks which enable the internationalization of

a company (Crick & Jones 2000; Knight & Cavusgil 2004). Moreover, these findings correlate also with the researches by Gabrielsson and Kirpalani (2004) and Moen et al. (2008), in which they suggested that the Internet may have a positive impact on SMEs' internationalization and provides an excellent potential for companies to reach new markets and customers. However, as mentioned, the Internet does not replace the physical presence in foreign markets, and thus managers should focus on building relationships (Sinkovics et al. 2011).

Therefore, in the third preposition, employees, and managers, SM image can be seen as an input that leads to creating new international business network relations, which result in the company's SM image. Thus the third proposition is as follows:

Employees' and managers' SM image positively influences creating new international business network relations, which in turn positively impact the company's SM image.

6.2. Theoretical contributions and suggestions for future research

Based on the discussion and analysis, there are three different mechanisms which show how SM enable to build new international business networks relations, and what these, in turn, bring to the SME. The three prepositions, where SM are seen as an input which leads to international networking opportunities which in turn result to the SME itself are:

- *Visibility in SM positively influences creating new international business network relations, which in turn positively impact brand awareness.*
- *Information searching in SM positively influences creating new international business network relations, which in turn leads to how SME maintains relationships within these networks.*

- *Employees and managers' SM image positively influences creating new international business network relations, which in turn positively impact the company's SM image.*

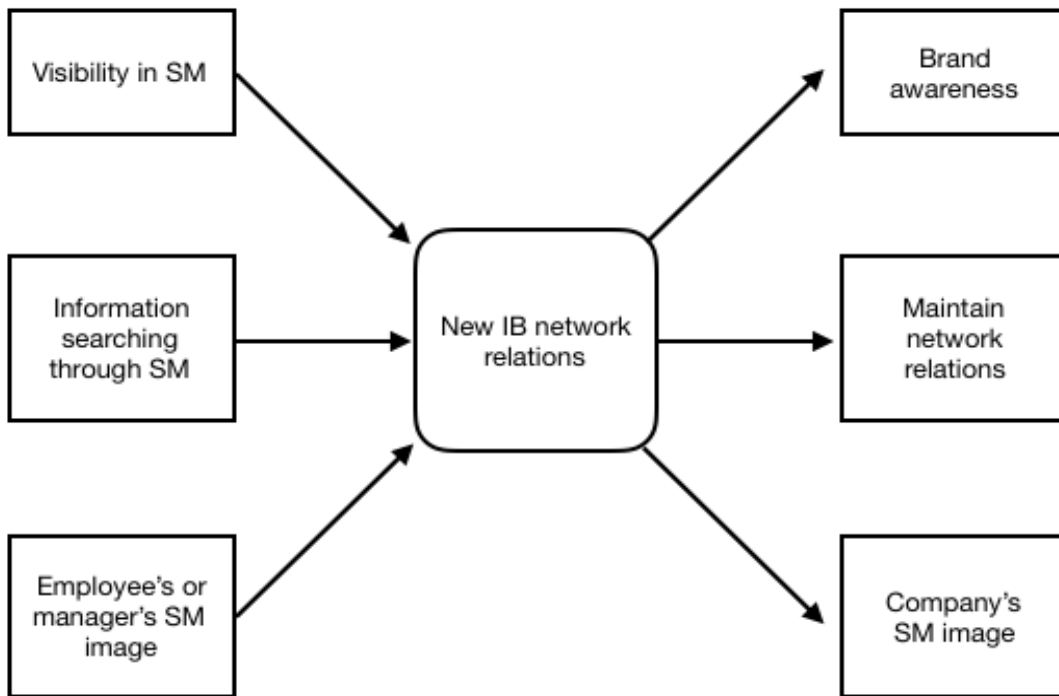


Figure 10. Results of the analysis

As seen, these propositions are illustrated in the above figure. The figure itself connects both macro and microenvironments, which affect the working of a company. The micro-environment factors, visibility in SM, information searching through SM, as well as employee's and manager's SM image, can be influenced by the employees and managers of the firm. The micro factors are seen as an input factors which influence how new international business network relations are formed and created, as well as the amount and quality of these networks. Thus the SM can be seen as a supportive tool for companies to reach new and potential international business networks. While, the macro-environment factors, which are impacting the firm's overall performance and are not under the control of a company, are the brand awareness, maintain network relations, and the company's

SM image. As well, the international business networks within the markets are influencing the company itself, but it cannot control or affect what kind of actors are in the markets. However, it can decide whether they want to create a business network or relationship with these actors.

This model opens up possibilities for future research. It would be beneficial to study more in-depth the micro-interactions with multiple-level analysis, such as cognitive research on how the use or activity in SM impacts on networking or what kind of SM image is "better" to attract new business relations and allows networking more easily. Moreover, these results open up opportunities for the macro-environment actors as well. For example, it would be beneficial to study how these macro-environmental aspects, such as brand awareness, affect the quality of cross-border network relations. On the other hand, it would also be interesting to research how the networks itself experience the company's visibility or activity in SM, for example, how customers experience the supplier's SM visibility and how these affect the dyadic-relationships within the network. Also, it would be beneficial to understand the differences between SMEs and MNEs.

6.3. Managerial implications

This research offers several implications for managers and entrepreneurs of SMEs. The study itself broadens the understanding of how SM can be used as a useful and supportive tool for maintaining and forming international network relations, and thus SM should be actively used and invest by managers and entrepreneurs of SMEs. It also provides a practical model that tells how SM micro-interactions within the firm impacts on the firm's macro environment. The managers and entrepreneurs can use this model as a tool for finding and building new international business networks. Also, it helps managers to understand that in which resources could be beneficial to invest to effectively find new international networks and where each of these micro factors (inputs) leads. For example, if a manager wants to increase the brand awareness of the firm, it would be beneficial to focus and invest in the resources to find ways to increase the visibility of the company in

SM. Besides, this research shows that managers and entrepreneurs should ensure that employees have the necessary tools to utilize SM and provide training if needed.

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APPENDIX 1. Interview questionnaire outline for the case company's employees and managers.

1. Tell me about yourself, i.e., how long you have worked in the case company, your position, job description etc.
2. For what purpose(s) you use social media in your work?
3. Do you think that it is important or necessary (in general) for businesses to be active in social media?
 - 3.1. Why / why not?
4. In which purpose businesses should use social media for?
 - 4.1. Why?
5. Which social media channels/applications are the most useful for businesses?
 - 5.1. Why?
6. Do you think that social media channels/applications enable businesses to form (international) business networks and relationships (with i.e. customers, partners, suppliers, competitors)?
 - 6.1. Why / why not?
 - 6.2. If yes, which channels/applications are the most applicable for this purpose?
 - 6.3. Why?
 - 6.4. How?
7. Have social media enable networking with i.e. your partners, customers, investors, suppliers?
 - 7.1. If yes, how it has appeared?
8. Do you think that it is important/necessary to businesses to be present in social media when forming business relationships?
 - 8.1. Why / why not?
9. How social media as a channel of forming relations goes hand in hand with other ways to establish and maintain relations?