The emergence of the Social Media Entrepreneur

Maria Fernanda Arreola
Assistant Professor of Strategy & Entrepreneurship
ESSCA School of Management
56 Quai Alphonse Le Gallo
92513 Boulogne-Billancourt, France
Phone: + 33 1 41 86 20 18 - Fax: +33 1 41 86 04 87
fernanda.arreola@essca.fr

Abstract

The purpose of this paper is to describe a new form of entrepreneurial emergence: “Social Media Entrepreneurship” (SMEP). As opposed to other entrepreneurial initiatives in the cyberspace, SMEP utilizes social media to compensate for a lack of social capital. The social capital is then responsible for the appearance of new resources, knowledge and ideas, facilitating the settlement and management of a new commercial activity. Based on a netnographic study of the behavior of entrepreneurs on a Facebook group, followed by semi-structured interviews and an online survey, this research describes some of the characteristics of SMEP. The study contributes to our understanding on how social media facilitates the creation of networks and access to resources.

Purpose - The purpose of this research is to explain the existence of social media entrepreneurship.

Design/methodology – netnographic study of the behavior of entrepreneurs on a Facebook group, followed by 11 semi-structured interviews and an online survey with 32 respondents.

Findings - The conclusions gather the evidence for the categorization of a new form of entrepreneurship.

Research limitations and implication - This paper represents work in progress in a rapidly developing field. The characteristics gathered in the paper are limited with respect to the scope of the social media entrepreneurship phenomenon and have only served to illustrate different aspects of this form of entrepreneurship.

Practical implications - This paper presents practical implications for entrepreneurs and policy makers interested in entrepreneurial development through social media.

Originality - In the last decade social media has transformed the way in which we conduct business and develop social relationships. These changes have opened the opportunity for the emergence of new ways to commercialize services on these platforms, leading to the appearance of the social media entrepreneur.

Key Words: Entrepreneurship, Social Media, Social Capital, Entrepreneurial Emergence
1. Introduction

Over recent times, entrepreneurship researchers have attempted to explain the role of the internet revolution in the commercialization of products and the creation of new firms (Angelides, 1997; Lancioni et al., 2000; Batjargal, 2007). In the Web 2.0 era, search platforms, online retailing and social media, have changed how we conduct business. Of these changes, it is social media that has had a greater impact on how we learn from and communicate with businesses.

This has led to researchers to focus on the use of Social Media as a marketing tool, and to determine how it affects items like brand image, brand value and sales. (Hoffman & Fodor, 2010; Mangold & Folds, Kaplan & Haenlein, 2010, Kiskis, 2011). Recent statistics establish that 39% of all European Union enterprises use social media with 79% of these using it to build their image and to market their products and services (Eurostat, 2016). However, there are other implications to the large utilization of large social media sites, such as Facebook, that include how a firm is operated (Ho, Au & Newton: 2003). More specifically, the types of exchanges that take place over social media, facilitate not only a firm’s management but its conception.

In this regard, we aim to explain the use of Social Media as a platform that facilitates entrepreneurial emergence. The concept of emergence evokes an activity that requires several variables in order to exist (Bergandi, 2000; Hernandez, 2008). When it comes to entrepreneurship, it represents the existence of an environment that facilitates the connection of ideas and individuals to create new economic activities (Wagner & Kirzner, 1979). In this regards, the importance of studying entrepreneurship emergence is that all entrepreneurial activities have to pass through an emergence face for their formation (Mintzberg, 1988).

In order to detail the process of entrepreneurship emergence, on social media platforms, this papers proposes the term Social Media Entrepreneurship. Following it explains how the resources necessary for entrepreneurial formation are provided by social media and how the interactions over these platforms go beyond marketing or promotional activities. In order to describe the profile of the social media based entrepreneur this research details the parallels between the creation of social, financial and human capital, necessary for new business creation (Aldrich & Martinez, 2001) and the exploitation of the functionality of social media. It also explains the features of social media that facilitate network access and through which we can overcome the lack of ties with potential customers, suppliers and partners.

In order to explore this new form of entrepreneurial emergence, we performed a study of foreign entrepreneurs using social media in France. A group of people that lack deeply rooted and strong network ties was selected, in order to research the extent to which social media helps alleviate and compensate for this social capital handicap. The empirical portion
consists of three different methodologies: first a netnographic review of information on a Facebook group, followed by a 11 semi-structure interviews and finally an online survey.

The results of the research contribute to attesting to the existence of Social Media Entrepreneurship. This paper explains the key elements that allow for the emergence of new entrepreneurs through social media as well as some of the traits that define them. It also establishes the factors that facilitate Social Media Entrepreneurship development and proposes many avenues for further research.

2. Entrepreneurial Emergence and Social Capital

The study of entrepreneurial emergence, from an evolutionary perspective, acknowledges that business creation happens at the cross point of intent and action (Aldrich & Martinez, 2001). The likelihood of survival of new firms is limited by the ability of the nascent entrepreneur to turn ideas into activities (Reynolds, 1994) and link opportunities and resources (Reynolds & White, 1997). Entrepreneurial context is therefore embedded in the encounter between actions and motivations and relies on the entrepreneur’s ability to capture unavailable resources.

The resources necessary for business development, although variable by firm, industry and size, share similar factors (Aldrich, 1999). Firms require financial capital, the funds necessary for establishment, survival and growth (Aldrich & Martinez, 2001; Anderson & Miller, 2003; Bosma et al.,2004). New ventures also require knowledge or human capital, information and abilities held by the entrepreneur that allow him to create competitive advantages and navigate the natural difficulties that appear with the establishment of a new firm (Vesper & Gardner, 1997). Finally, entrepreneurs require social capital, associated with the extent to which an entrepreneur can use his or her relationships to capture resources that are otherwise unavailable, including human and financial ones (Aldrich & Martinez, 2001; Burt, 2000; Hansen, 1995).

The concept of social capital describes the benefits that derive from our participation in networks (Aldrich, 1999, 81-88). As described by Bourdieu, it is “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” (1985, p. 248). While human or financial capital can assure entrepreneurs with receiving higher or faster returns for their investment, social capital provides the contextual opportunity for acquiring the above. For example, social capital has been shown to facilitate access to resources outside of entrepreneurs’ control including information, assets, skills and customers (Aldrich & Martinez, 2001; Zimmer, 1986; Greve & Salaff, 2003) or as per Putnam, “... social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence” (1993, 167). As entrepreneurs strengthen their relationships or add new links to their networks, their social capital increases and so does the likelihood of achieving developmental goals (Burt, 2000; Lin, 1999).
2.1 Social Capital in the era of Social Media

Over the last years, entrepreneurship researchers have attempted to explain the role of the internet revolution in the commercialization of products and creation of new firms (Angelides, 1997; Lancioni et al., 2000; Batjargal, 2007). In the Web 2.0 era, search platforms, online selling points and social media, have had a large impact on how we conduct business.

Social networks are especially responsible for how things are changing with regards to how we engage in and make relationships with others. Although social media has not replaced offline communication forms, it has become an integrated portion of our daily interactions (Baym, Zhang, & Lin, 2004). Its quick adoption worldwide has turned it into a transnational exchange platform, with high penetration, adoption and use rates (Lenhart & Madden, 2007).

Social media replicates many of the key features of social capital development. Through its use, we can access networks with few redundant ties (e.g., people with whom we share no common friends), increasing our external social capital (Burt, 2000). We also can improve the density of our existing networks (e.g. by joining groups) resulting in higher levels of internal social capital (Coleman, 1988). Additionally, since social media connections are started on a binary basis (either accepted or declined) the person has an indication of the subsequent limits for further interaction or the development of a relationship with his target.

Social networks offer therefore a valid and reachable source for developing new social group connections. More importantly, general social networks (such as Facebook, Qzone, Orkut and Netlog) possess platforms that allow for the sub-categorization of specialty groups, same through which people can create connections through similar departing points (interests, nationality, country of residency, age of children) facilitating the development of ties, based on common values and interests.

Recent research has been able to capture the existence of equivalencies between social capital creation through social media versus traditional interactions. In their work, Gilber & Karahalios propose that words exchanged, days since last communication, common apps or groups and social distance variables can serve determine, and increase the strength of a social-media based relationship and therefore an individual’s social capital (2009). These empirical observations, show that, over time, social media can transform itself into a platform for the appropriation of previously inaccessible networks, can ease the strengthening of ties and can lead to the creation of new social capital.

*Proposition 1: Social capital can be created through social media*
2.2 Social Media Entrepreneurship

Studies of the interaction of social media and businesses have captured effects on two points of view: on one, authors have noticed the repercussions of businesses-social media use on the marketing value proposition of firms in issues like segmentation, brand image, value messaging and sales (Hoffman & Fodor, 2010; Mangold & Faulds, 2009, Kaplan & Haenlein, 2010, Kiskis, 2011). And secondly, researchers have recognized the structural effects of social media inside of the firm, as these change the way in which they operate as a result of engaging in their use (Ho, Au & Newton: 2003). These functional approaches can be categorized into two types of social media applications for businesses: those who use the social media platforms to professionalize their activity (as with those using Facebook @ Work or LinkedIn for capturing talent (Knowledge@Wharton a, 2016)) and those that use social media for the implementation of a marketing strategy (as a restaurant promoting its services, a football league sponsoring an online game, an online retailer selling products).

However, based on the creation of social capital through social media, there is a third typology of business use of social media: a phenomenon thee named Social Media Entrepreneurship. Different from the two, Social Media Entrepreneurship implies the utilization of the networking, organization and communication structures that social media provides, for the emergence and operation of new business opportunities (see table 1 for a comparison between studied forms of social media business tools and Social Media Entrepreneurship).

Social media entrepreneurship as a form of entrepreneurial emergence relies on access to previously unavailable social capital through the exploitation of social media. The emergent entrepreneur can feed his creative process, understand market needs and conceptualize a commercial venture, through his interactions with people around his network. What is distinctive from social media entrepreneurship, from other forms of entrepreneurship is that social media can be a single source for sufficient social, human and financial capital, completing the elements necessary for entrepreneurial emergence (Aldrich & Martinez, 2001).

In social media, human capital can be accessed through interactions with other group members as they can provide the entrepreneur with access to information or knowledge on a specific activity or process (Paxton, 1999; Shultz, 1959). With regards to financial capital, this can be created through finding business partners or accessing cheaper financing (Cooper et al., 1994). Empirical evidence supports this, as per for example, noting the role of social media in the increased likelihood of success of crowdfunding campaigns (Lu et al., 2014). In terms of human capital, an anecdotal example depicts well its development: in January of 2010, UBER founder Travis Kalanick posted a message searching for an entrepreneurial product manager for the pre-launch of what would become UBER. Ryan Graves, a manger with experience in other web-based applications replied, and is to date the Head of Global Operations (Business Insider 2016). In having access to financial, human and social capital
previously outside of their control, people can decrease the barriers to develop a business and become social media entrepreneurs

Finally, a last important component for the use of social media for entrepreneurial emergence is the larger relationship that its use will have with the commercialization and management of the new activity. The embeddedness and permanent need for resource creation, will have an effect on the interaction with potential users, market trials and setting of price points through the same platform. This makes of social media entrepreneurship something unique, as the user network participation will increase the permeability and dependence of the business on the utilization of social media.

Proposition 2: Social Media Entrepreneurship exists as an alternative form of business creation that relies on capital created through social media

3. Methodology

Our unit of enquiry for this study is the use of social media for entrepreneurial emergence acting as a virtual substitute for the creation of social capital. The methodological approach consists firstly of a netnographic study. Netnography, an online ethnography is a particularly adequate methodology when studying online interactions as it allows for continuous access to information and participants acting on an online environment (Kozinets, 2002). Netnography considers the analysis of rich and contextual information in which the unit of analysis is not the person but the act (Mead, 1938). In this it provides information on a real context and providing full access as an observant to the researcher (Kozinets, 2002).

We chose to use other complimentary qualitative methods, in order to better generalize the discoveries. The other two phases of our analysis consisted of in-depth interviews, and an online questionnaire. The multi-method approach was set to handle different approaches to treating and interpreting data (collected via web and through the phone interviews) in order to assure a sufficient level of reliability (Cooke & Buckley, 2008).

The netnographic study consisted on the analysis of the behavior of users of the “Mexicans in Paris” group (MIP). In order to perform it, we scored a historical review of postings, interactions and personal sites for the period of September 1st to November 31st. The netnographic study led to the identification of possible social media entrepreneurs (all those who posted offers to sell products and services on a non-individual basis). All French residents in the database, were contacted for personalized in-depth interviews in order to get general information on their entrepreneurial experience, intent, Facebook use, and social capital with a total of eleven interviews conducted. Out of these, we purchased products from two vendors (the first contacted) in order to document the transactional perspective of social media entrepreneurship.
The third portion of the study consisted on a survey posted and made available to all members of the MIP group. The survey was prepared using as a reference the discoveries from the previous two portions of the research, and attempted to give larger evidence to the use of Facebook as a business platform (Table 2 presents the details of potential social media entrepreneurs identified as well as research actions for each).

3.1 Choice of Facebook and research target

As the largest social media site in the world, with more than 4 billion users, Facebook stands as one of the largest platforms for human interaction. From an academic perspective, and as pointed by Ellison, Steinfield & Lampe, “Facebook constitutes a rich site for researchers interested in the affordances of social networks due to its heavy usage patterns and technological capacities that bridge online and offline connections” (2007xx)

Another reason for choosing Facebook is that in order to meet new people, as opposed to other social media sites (e.g. LinkedIn) Facebook does not require third-party introductions or the approval of intermediaries, facilitating the fast acquisition of new acquaintances. Facebook does not enforce any policies against the informal offering, selling or promoting of products, and actually, provides many tools for the commercialization of products of services, which constitutes a basic liberty necessary for incipient social media entrepreneurs.

Since our research nods to the notion of context, process and outcome I had to limit our Facebook exploration to an environment that allowed for these observations to be made, under an evolutionary perspective (Low and MacMillan, 1988). In addition, I recognized that social capital development acknowledges the need of creating links through common interests, which led us to focus our study on a specific Facebook group: Mexicanos in Paris. As research suggests that traditional Social Capital, comprising personal relationships, is developed over time (Nahapiet & Ghoshal, 1998) I wanted to use an extreme case of individuals who are forced out of their traditional networks due to an international move. The choice of a specific Facebook group allowed us to effectively accompany the different posts, interactions, frequency and participation of all users, since all the content on a Facebook group is available and visible to all members (this alleviates issues of access, authenticity and transparency).

4. Results

The long-term immersion in the Mexicans in Paris group led to over a thousand postings and member interactions over subjects that varied from things to do in Paris, immigration issues and nostalgia. The group counted, as of August, 31, 2016 with 6,405 members. No demographic information is available as the researcher is not part of the team of administrators. Within these interactions, and following no specific predisposition (that means that the user did not await a specific comment thread or remark to post) twenty-eight people posted messages concerning their offering of products and services.
From these participants, the large majority proposed food related products, (18/28) with the rest ranging from real-estate assistance, language training, legal counseling, motivational speaking, weight loss products, photography and travelling packages. From these, the majority of businesses published posts at least once a week (15/28). The majority of people posting were women (21/28) and from the total, 17 people were located within France, one in Mexico, one in Morocco and the rest in Spain.

The participation inside of the group was very active and diverse attested by the newsfeed’s quick displacement and the variety of users posting messages on the. In terms of the people announcing services, we catalogued their participation following the activity standards proposed by Kozinets (1999). Kozinets established a system for determining a level of online community involvement from a consumer perspective coining the terms “tourists” (posts casual questions), “minglers” (have strong social ties but minimal interest in the consumption activity), “devotees” (strong consumption interest but few attachments to the online group) and finally the “insiders” (strong ties to the online group and frequently referenced). We varied this categorization in considering a selling as opposed to consumer activity, as Kozinets, framework was original targeted to analyze online consumption attitudes.

From the sample of people proposing products, 11 were categorized as “devotees” given their large interest in selling their products (frequent postings and targeting of messages seeking their products), 16 as “insiders” (frequent postings, their names were tagged by other people in comment sections and they often participated in other unrelated discussions) and one “tourist” (only one posting showing no other interest in the community). We believe this distribution accounts for active group membership and network integration of the majority of people selling products.

After conducting the netnographic study, all France based entrepreneurs were contacted and a total of eleven accepted to respond, via telephone, to questions regarding their products (the rest preferred to respond to comments or questions through Facebook messenger which limited the interactions). Of the eleven, three were devotees and eight insiders. The conversation took place over the phone and the researcher pretended to be an interested customer, while posing questions about the persons’ career, interest, reasons to be in Paris and business. From this, information was collected on the reasons that led to entrepreneurship as well as if rather the commercial activity was formally registered or not. The first two telephone interviews were followed by a purchases of their products, in order to understand the selling/commercialization processes.

The interviews led to the creation of a questionnaire, based on the characteristics that described the use of Facebook for entrepreneurial emergence through social capital creation. The same was later shared and posted on the same Facebook group were all members were asked to put in their information in order to create an agenda of products and services offered
by members of the group. A total of 31 respondents, completed the survey (key results are shown in figures 1-5 and discussed in the following section).

5. Discussion

Our multi-methodological approach resulted in a variety of information, views and references to different stages and characteristics of the entrepreneurial process and to the existence of Social Media Entrepreneurship. Our triangulation helped to improve the validity of our research and to test our proposition regarding the existence of an alternative form of virtual entrepreneurial emergence, coined as Social Media Entrepreneurship. Following I explain the two main results that I categorize as Entrepreneurial Social Capital creation through Social Media and the emergence of Social Media Entrepreneurship.

5.1 Entrepreneurial Social Capital creation through Social Media

The use of Social media has drastically changed how we meet, participate in and develop relationships. From dating to engaging in debates, there are a variety of societal activities that are now enrooted in Social Media. These new interactions benefit from easier access to people outside our social circles. As Social Capital theory suggest, this capacity to develop our networks, can lead us to access resources that were previously unattainable.

The first portion of this research gathered examples from individuals that acknowledged their search for social capital through social media.

“I arrived in France earlier this year. I got married but I don’t speak French, we speak English at home. I have met very few people because my husband is not from Paris... I joined (several) Facebook groups in order to meet people like me” - Interviewee 9

As social capital theory suggests, network development is facilitated by the encounter of common interests or values. In our interviews, entrepreneurs recognized joining in general groups that provided some familiarity with their prior experiences, and in particular, to joining the MIP group because they knew they could identify with the other members. This discovery launched our first suspicion as to the targeted use of social media groups by social media entrepreneurs, in that these provide the segmentation of communities through the ones they can embrace similarities. This specific discovery also points to a key difference between traditional and virtual networks, as the latter require less time to develop (Portes & Zhou, 1996).

Social media entrepreneurs also recognize in these new networks the opportunity to launch or develop a business idea. As many interviewers would establish, they utilized social media as a way to conceiving and testing a business concept, as they could quickly learn the
acceptance that their value proposition had. Further, in social media they found a unique space to overcoming obstacles that the environment provided

“I just got married and I wanted to do something to make money. I am a lawyer and my qualifications don’t let me practice in France. I decided to sell Mexican products while I settle, because I find it easier to give me an income”
Interviewee 9

Our survey in fact indicated that prior entrepreneurial experience was not a necessary condition (44% of respondents had no prior experience). This furthers the notion that the social media entrepreneur is not an extension of entrepreneurs that utilize social media for marketing or organizational purposes, but a new type of entrepreneurship that leads to establishing businesses thanks to their on-line interactions.

Another key aspect of social capital creation through social media is the visibility of the information shared. Just as some entrepreneurs assured using the information shared to determine their own products

“I noticed that people often asked about salsa and nobody was selling it... I am a trained chef so I decided to sell salsa” – Interviewee 7

Through these visibility entrepreneurs were able to capture valuable resources to them that could assist them in establishing their businesses such as friends, buyers, suppliers and competitors (See figures 1, 2 & 3). All of these resources, are capable of improving the chances of success, the knowledge of a specific market, the development of entrepreneur’s networks or the finding of new partners, all valuable for the establishment of a new entrepreneurial venture.

“I have been able to build a large set of customers through this group”
Interviewee 8

“I work in Real Estate so my properties (listings) require a lot of time and effort to develop trust amongst my renters. However, the (MIP) group is a great way to generate customers as most people that come to the group have many questions about living in France” – Interviewee 5

“Through Facebook I have not only developed my customer base but also a group of entrepreneurs that as myself have the same difficulties in establishing their businesses. Last week we had dinner amongst the leading Mexican entrepreneurs in France, and we all met through the group”- Interviewee 4
On the other hand, the availability of information also creates issues with regards to the information that is available to competitors. This shows that social capital through social media posses concerns as to the more egalitarian access of people to all networks.

“The only thing I don’t like about the group is that people steal easily competitive information on your products and prices. I was once asked for a price list, and I’m sure the person used it to propose more affordable prices than mine” – Interviewee 6

Finally, social capital creation played a particular importance as the majority of interviewees and respondents had been in France for less than five years (see figure 4). As traditional social capital is time consuming and difficult to develop, entrepreneurs must find other sources of networking possibilities to accelerate their chances of sustaining viable businesses (Aldrich, 1999). Prior research has shown that immigrants must become live in the country for a long period of time, as a way to alleviate the natural barriers of joining local social groups (Portes & Zhou, 1996). The results confirm the expected notion that social capital creation through social media is faster and alleviates the time constraints.

5.2 Social Media Entrepreneurship

In all, social media showed to be a source of social capital necessary to explore and implement new business ideas. In further exploring these new businesses I found commensurate characteristics that make it different from traditional entrepreneurship. In the interviews, all entrepreneurs attested to the usefulness of Facebook in general and the specialized groups in particular, to the attainment of their business objectives. Additionally, some entrepreneurs (a total of 7/11) stated that without Facebook their ideas would not be achievable, considering they did not dispose of sufficient knowledge of the entrepreneurial market.

Secondly, the majority of entrepreneurs acknowledged that, even when their business idea came from outside social media it was mostly through it that their ventures were managed. The participants recognized that from launch, social media had signified the majority of their target customers, had allow them to test ideas, make promotions, align prices to demand and engage in the selling process (see figure 5). In addition, all interviewees stated that they had targeted Facebook groups were they thought they could find qualified customers for their products.

“I knew that in Mexico & Chile people ate the equivalent of Argentinian “Dulce de Leche” so I became a member of these Facebook groups… to my surprise, now some of my best customers and referees come from these groups” (Interviewee 5).

Regarding the selling process, we performed two purchases from the two first interviewed entrepreneurs (frozen fruits and Mexican products). The interactions with them
had very similar characteristics. First, the delivery was offered free of charge but subject to a specific schedule or meeting point set by the seller. The exchanges were mostly done by the messenger interphase. In fact, all interviewees recognized Facebook chats and in-group messages as their key to the communication with leads, commonly not providing their own phone numbers. Payment for both was made in cash and this was the only accepted type of payments. None of the two had a set-physical location (they performed their activities from home) and both entrepreneurs had additional sources of income. Further, although they were interested in formalizing their businesses, they both considered them to be in a transitory or testing face.

From the interviews we gathered that the more dependence the entrepreneur had on social media, the more likely it was that he/she was not registered as an official entrepreneur in France (only three out of the eleven interviewees had a registered business). We believe that this discovery is relevant in two ways: first, because it talks about the fact that the social media entrepreneur is usually a nascent entrepreneur, and second because it suggests that there is a previously unforeseen repercussion from this type of activity in traditional businesses (a new type of competition that is not acknowledged by them). Table 3 presents a summary of the differentiating factors between traditional and social media entrepreneurship utilizing social media.

In summary, the empirical study confirmed the existence of the social media entrepreneur and the way in which its existence relies on the creation of social capital through social media. Additionally, it permitted gathering valuable information on the characteristics of the social media entrepreneur. These finding have repercussions for future studies on the use of social media for entrepreneurship, the exploring of a new facet of born-global firms as well as for the policy implications of this different features of e-commerce. From a practitioner’s view it suggests that attention should be given to the use of social media communities as a source of resources. It also points to the existence of the new obstacles that nascent entrepreneurs using social media face, with regards to the transparency and availability of information. Of special interest is the way in which Small and Medium enterprises could utilize these spaces to better segment their users, gain resources and create valuable social, human and financial capital.

Regarding the policy perspective, governments should be concerned to gaining more understanding on the fiscal, competitive and developmental implications of the Social Media Entrepreneur. As reported, while the majority of the people doing business through social media are not registered tax payers it is also through that their entrepreneurial activity allows them to integrate, explore and gain information on a market, potentially leading place to formal entrepreneurial activities. The negative and positive implications of such, should be accounted for in upcoming policy regulating cyber commerce and also be integrated in the way in which we can teach people to conceive, develop and test a business idea.
6. Conclusion

The findings lead us to believe that interactions in the cyberspace have led to a technologization of social processes where entrepreneurs may find viable and more cost/effective ways of developing their social capital and creating new businesses. As this research suggests, people dispose, through social networks, of low barriers to access new networks and to expand their social capital. As the ritual of utilizing social media permeates daily interactions, it has irrefutable effects on how we conceive the commercialization of products and services.

Given this research discoveries, showing the existence and particularities of the social media entrepreneur, upcoming research should consider the effects of this type of business on traditional ones. Other avenues for consideration include understanding factors affecting social media entrepreneurship from becoming a formal business and establishing the risks associated with this type of venture. From a policy perspective, governments should be aware of the commercial permeability of sites like Facebook and to incentives to informally establish an online commercial activity for entrepreneurs.
7. References


Table 1

Differences between social media marketing and professionalization activities and Social Media Entrepreneurship

<table>
<thead>
<tr>
<th>Type</th>
<th>Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing through Social Media</td>
<td>Firms emphasize their positioning, image and commercialization of their products</td>
</tr>
<tr>
<td>Professionalization through Social Media</td>
<td>Firms base part of their interactions in Social Media, making of it an extension to its internal communication, recruiting and organization tools</td>
</tr>
<tr>
<td>Entrepreneurship through Social Media (Social Media Entrepreneurship)</td>
<td>Entrepreneurs utilize Social Media for a variety of activities: from conception to the selling of their products. These activity is enabled by the new social capital accessed through Social Media-based networks.</td>
</tr>
</tbody>
</table>
Table 2

Entrepreneurs identified and contacted through netnographic study

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Product/Service Type</th>
<th>In France?</th>
<th>Interview</th>
<th>Interview Time</th>
<th>Follow up purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mexican products</td>
<td>Yes</td>
<td>Yes</td>
<td>25’, 20’ &amp; 25’</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>Frozen Fruits</td>
<td>Yes</td>
<td>Yes</td>
<td>24’, 10’ &amp; 22’</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>Catering</td>
<td>Yes</td>
<td>Yes</td>
<td>35’</td>
<td>No</td>
</tr>
<tr>
<td>4</td>
<td>Catering</td>
<td>Yes</td>
<td>Yes</td>
<td>30’</td>
<td>No</td>
</tr>
<tr>
<td>5</td>
<td>Real Estate</td>
<td>Yes</td>
<td>Yes</td>
<td>30’</td>
<td>No</td>
</tr>
<tr>
<td>6</td>
<td>Catering</td>
<td>Yes</td>
<td>Yes</td>
<td>25’</td>
<td>No</td>
</tr>
<tr>
<td>7</td>
<td>Sauce</td>
<td>Yes</td>
<td>Yes</td>
<td>22’</td>
<td>No</td>
</tr>
<tr>
<td>8</td>
<td>Baked goods</td>
<td>Yes</td>
<td>Yes</td>
<td>22’</td>
<td>No</td>
</tr>
<tr>
<td>9</td>
<td>Mexican Crafts</td>
<td>Yes</td>
<td>Yes</td>
<td>17’</td>
<td>No</td>
</tr>
<tr>
<td>10</td>
<td>Cakes</td>
<td>Yes</td>
<td>Yes</td>
<td>18’</td>
<td>No</td>
</tr>
<tr>
<td>11</td>
<td>Mexican products</td>
<td>Yes</td>
<td>Yes</td>
<td>1’07</td>
<td>No</td>
</tr>
<tr>
<td>12</td>
<td>Media and magazines</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>13</td>
<td>Mexican Bread</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>14</td>
<td>Mexican Crafts</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>15</td>
<td>Legal Counselling</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>16</td>
<td>Fresh produce</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>17</td>
<td>Travel</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>18</td>
<td>Language Training</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>19</td>
<td>Fresh produce</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>20</td>
<td>Mexican Crafts</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>21</td>
<td>Mexican products</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>22</td>
<td>T-shirts</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>23</td>
<td>Training/Classes</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>24</td>
<td>Motivational speaker</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>25</td>
<td>Restaurant</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>26</td>
<td>Mexican Food</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>27</td>
<td>Mexican Products</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>28</td>
<td>Weight Loss</td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>
Figures 1, 2 & 3

Generation of resources through Social Media

Utility of Facebook/Social Media to capture new resources

What is the relevance of the MIP group for your

Reasons for Facebook Use
Figure 4

Time living in France

![Pie chart showing time living in France](image)

- Less than 1
- Less than 5
- Between 5 and 10
- More than 10

Figure 5

Relevance of Facebook to Business

What is the relevance of Facebook for your business?

- Very high (my customers and contacts have come from my use of Facebook/Social Media)
- High (more than half of my customers and contacts come from my use of Facebook/Social Media)
- Average (I use Facebook/Social Media and my personal network indistinctly to find new customers and contacts)
- Low (my activity on Facebook/Social Media is limited and I only use it as a promotional tool)
- Very Low (I have never posted any information related to my product/service on Facebook/Social Media)

![Pie chart showing relevance of Facebook to business](image)

- 38%
- 28%
- 19%
- 9%
- 6%
Table 3

Summary of differentiating factors between Traditional and Social Media Entrepreneurs

<table>
<thead>
<tr>
<th></th>
<th>Traditional Entrepreneur Using Social Media</th>
<th>Social Media Entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idea conception</td>
<td>Very unlikely</td>
<td>Very likely</td>
</tr>
<tr>
<td>Promotion of Services</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Targetting of Customers</td>
<td>More moderately</td>
<td>High targeting</td>
</tr>
<tr>
<td>Frequence of Messages</td>
<td>Low</td>
<td>Very High</td>
</tr>
<tr>
<td>Selling process</td>
<td>High reliance of Facebook services (posts, private messages)</td>
<td>No</td>
</tr>
<tr>
<td>Physical Location</td>
<td>Highly Likely</td>
<td>Highly Unlikely</td>
</tr>
<tr>
<td>Access from peripheral markets</td>
<td>Difficult</td>
<td>Easy</td>
</tr>
<tr>
<td>Thinks of entrepreneurial activity as something transitory</td>
<td>Unlikely</td>
<td>Very likely</td>
</tr>
<tr>
<td>Formally Established Business</td>
<td>Highly Likely</td>
<td>Highly Unlikely</td>
</tr>
</tbody>
</table>