

Social media provides SMEs with tools to mitigate internationalisation-related threats

December 10 2020



Social media provides small and medium-sized firms (SMEs) with tools to mitigate internationalisation-related threats. Credit: MostPhotos/Cienpies Design.

For SMEs seeking to enter the international markets, social media is a

tool for overcoming liabilities connected to their smallness, newness and foreignness, a new study from the University of Eastern Finland shows. According to the study, SMEs use social media to become embedded within various strategic and emerging international networks they deem important for their operations.

"Companies seeking to go global are often unsure about how to best use social media and international networks to tackle any obstacles standing between them and the international markets. Our findings can help companies understand how to optimally use these tools in order to achieve rapid international growth," Professor Mika Gabrielsson from the University of Eastern Finland says.

Conducted on firms coming from Finland, Sweden and New Zealand, the study examined SMEs that sought to enter the [international markets](#) due to the size of their domestic markets being too small to remain viable. The studied companies actively used social media.

According to the study, it is vital for internationalizing SMEs to seize the opportunities offered by social media throughout their internationalization process. It is also important for companies to recognize their own social media capabilities, as well as those of their partners'. Moreover, these capabilities should be effectively combined in order to mitigate internationalization-related threats.

"International partners are a way for companies to enhance their social media skills and to become embedded in the inner circles of strategically important networks. However, firms should choose their social media channels wisely and adapt their presence in the social media to the various local markets," Researcher Sara Fraccastoro from the University of Eastern Finland says.

For example, companies can use local languages in their [marketing](#)

[campaigns](#) or collaborate with local social media influencers.

"SMEs should be trained in the [use of social media](#) because social media is a cheaper and less time-consuming platform than many alternative channels of communication. In addition, using [social media](#) is a sustainable choice."

More information: Sara Fraccastoro et al, Social Media Firm Specific Advantages as Enablers of Network Embeddedness of International Entrepreneurial Ventures, *Journal of World Business* (2020). [DOI: 10.1016/j.jwb.2020.101164](#)

Provided by University of Eastern Finland

Citation: Social media provides SMEs with tools to mitigate internationalisation-related threats (2020, December 10) retrieved 18 April 2024 from <https://phys.org/news/2020-12-social-media-smes-tools-mitigate.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.