ABSTRACT

Social media marketing has become a central issue for companies and marketers. Nonetheless, few studies specifically researched factors and barriers influencing social media adoption, at a firm level perspective. This study addresses the gap by focusing in furthering the theory in social media adoption at firm level. Based on the findings of, in depth, semi-structure interviews with 17 marketing executives of large companies in Brazil it was possible to identify six variables that influence social media adoption: results demonstrability, customers’ presence in Social Media, knowledge of social media, stakeholder’s influence, common sense for digital and executive’s age. Additionally, we proposed a theoretical model of social media adoption, under the light of Technology Acceptance Model (TAM).

Keywords: social media adoption, social media marketing, technology adoption, TAM
1 INTRODUCTION

Social media is a general term employed to describe several web-based platforms developed for individuals and communities to share information, opinions and to co-create content (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). Social media mass adoption by individuals has increased consumer power which, in turn, has pressured companies to adopt and manage social media communications (Sinclaire & Vogus, 2011). Its increasing relevance has influenced companies to allocate more investments to quickly create or promote companies’ brands and content through social media marketing efforts. Thus, social media has become a central issue for companies and marketers (Kumar, Vikram, Mirchandani, & Shah, 2013).

For Dahnil et al (2014), the trend of social media usage by companies offers a clear research opportunity. For these authors, it is fundamental to understand the factors that support the adoption of social media marketing among companies. For Kuikka and Akkinen (2011), there is a vast literature, on a firm level, of barriers faced by organizations adopting a new enterprise system but very few studies specifically researched social media adoption and usage by companies. Moreover, before practical guidelines can be defined to support managers, overall social media adoption phenomenon needs to have more research and empirical evidence (Jobs & Gilfoil, 2014).

On a broader perspective, the implementation of new internet-based technologies has been identified as a relevant process for moving a company toward electronic business. In this direction, business attitudes regarding the adoption of internet related innovation have been acknowledged as a critical factor for executing e-business strategy. There is limited research on business-level technology adoption when compared to research examining individual-level technology adoption (Yu & Tao, 2009).

The present research will draw on the TAM, proposed by Davis (1989) to understand company level adoption of social media. Since its conception in 1989, TAM has become accepted as a solid and parsimonious model for predicting user adoption in a variety of contexts (Venkatesh & Davis, 2000). Although TAM is a robust model, increasing the knowledge of the determinants of perceived usefulness (PU) and perceived easiness of use (PEOU) would allow practitioners and academics to better design and implement managerial actions that would increase user adoption of new systems (Venkatesh & Davis, 2000; Yu & Tao, 2009).

This research aim is to further the theory in social media adoption at firm level and in theory of adoption of new technologies. The research question is: what are the factors and their influence in social media adoption by large for-profit companies?

This research contributes to theory in two ways: (i) it furthers the knowledge on the factors influencing the adoption of social media; (ii) it develops a theoretical model to explain social media adoption, under TAM perspective.

From a managerial perspective, this research is relevant for social media technology providers, for marketing agencies and for marketing executives. For the technology providers it can show what barriers and concerns they may tackle to increase their platforms adoption. For the agencies and marketing executives, it contributes to an understanding of the factors that influence adoption
and employment of new marketing tools, which can lead to better decisions for social media marketing.

This study is structured into five sections. The first section introduces the theme and its importance. In the second one, there is a theoretical review of Social Media firm-level adoption and of TAM. The third section describes the methodology employed. In the fourth and fifth, results are presented and discussed.

2 THEORETICAL REVIEW

2.1 Social Media Adoption

Research in social media adoption by companies is a recent research subject, with few studies. The existing literature studied different aspects of social media adoption. It is possible to identify three main topics researched: (i) social media adoption level in a certain group of organizations; (ii) factors and barriers influencing adoption; (iii) the adoption process at firm level – stages of adoption. This study and literature review will focus in the factors and barriers of adoption.

Dahnil et al. (2014) identified five groups of internal and external factors that could affect social media marketing adoption. The first group of factors is related to the end users themselves: training and knowledge on the social media environment and perceived usefulness. The second group is related to organizational resources: if the top management allocated resources to social media marketing, such as money, time and personnel. Third, is related to technological limitations of the platforms. For example, the difficulty to measure business results. The fourth factor group is related to company’s leaders attitude towards social media. Lastly is the business environment. In this group, competitors’ behavior may influence as well as country infrastructure, like internet broadband distribution.

Kuikka and Akkinen (2011) have divided social media adoption barriers into two broad categories: internal challenges, involving of the management challenges within the company, and external challenges, which is normally associated to company image, brand or external relations. The authors recognized five categories of internal challenges: resources limitation, unclear corporate ownership/responsibility over social media, authorization over social media content, negative attitudes towards social media and economic challenges (costs x benefits of social media). The authors also identified, three external challenges categories: company’s reputation management, potential legal issues and public versus private use of social media (concern by employee appearing personally). Kuikka & Akkinen (2011) acknowledge that limits between these categorizations are not strictly defined and some overlaps exist between them.

For Sinclaire and Vogus (2011), studying U.S. fast growing companies, the main factor for companies’ adoption of social media was the mass adoption of social media by consumers. Other factors also consider by companies’ executives were: easiness of implementation and increase ability to communicate with customers.

Michaelidou, Siamagka and Christodoulides (2011) researched social media adoption in the context of SMEs companies in the B2B space. The author identified five key barriers: lack of
relevance of SNS within the industry the company operates in (a major challenge in this study, but may be very specific to B2B companies), uncertainty of benefits from using SNS, unfamiliarity and lack of technical skills of staff, large investment in terms of time and competitors do not use SNS.

In the only study conducted in Latin America (Brazil), Serra, Storopoli, Pinto and Serra (2013) identified that companies’ social media adoption is facilitated by its easiness of access and the possibility to use it as selling benefit and client relationship channel. On the other side, the barriers were lack of qualified work force, lack of specific knowledge of social media and the challenge to attract customers to interact with the company in the social media channel.

Wamba and Carter (2014) researched both organizational and individual factors that could drive social media adoption by SMEs. Their results indicated that manager’s age; firm size; innovativeness; and industry sector had a positive relation to adoption.

In sum, the existing literature presents multiple angles over adoption factors and supporting theories that are employed to explain social media adoption.

### 2.2 Technology Adoption Theories

There are three distinct approaches to research adoption of innovations: individualist, structuralist, and interactive process (Kautz & Nielsen, 2004). Individualist and structuralist approaches research individual actors and organizations as unit of study. In the first two approaches, past research has focused mainly on variables related to the individual or organizations, like individual characteristics and size of organization (Sarosa, 2012). The present research will have an individualist and structuralist approach as well.

In order to investigate social media adoption by large companies, the present research focus in TAM. Our scholarly approach, following Siamagka et al. (2015), aims to adopt a theoretical framework where constructs are more responsive to empirical operationalization (e.g. TAM) compared to alternative theories such as Rogers (1995).

TAM was proposed by Davis in 1986 (Davis, 1989) to explain and predict users’ adoption/acceptance or rejection of new technologies. TAM is conceptually based on Theory of Reasoned Action (TRA) (Ajzen & Fishbein, 1980), which postulates two behavioral beliefs, perceived usefulness (PU) and perceived ease of use (PEOU), as fundamental determinants of attitude towards behavioral intentions and usage actual behavior (AB). Perceived usefulness is defined as “the degree to which a person believes that using a particular system would enhance his or her job performance”. Perceived ease of use is defined as “the degree to which a person believes that using a particular system would be free of effort” (Davis, 1989).

In TAM, behavioral intention to use leads to actual IT usage behavior. TAM proposes that the personal attitudes towards the technology influence the adoption and the use of that technology. Therefore, TAM’s belief–attitude–intention–behavior connection predicts user acceptance of new technologies (Lederer, Maupin, Sena, & Zhuang, 2000).

Because of its ubiquitous applicability and mostly to its parsimony, TAM has become the most preferable and popular model and has been globally used in a diverse set of technology adoption
studies (Al-Ghaith, 2015). However, when compared to the extensive individual-level TAM literature, at business-level though, research that use TAM is relatively rare. Having said, there are a few organizational-level technology adoption studies (Siamagka et al., 2015; Zain, Rose, Abdullah, & Masrom, 2005). For Yu and Tao (2009) there is still a gap of knowledge and understanding in technology adoption at the firm level.

Different research using TAM has evidenced that perceived usefulness has constantly been a strong predictor of usage intention. Thus, considering the importance of this construct, a better understanding of its determinant factors would allow the development of organizational interventions that would enhance user adoption of new systems (Venkatesh & Davis, 2000).

For Lee, Kozar and Larsen (2003) even though TAM has been a robust model, it is relevant to incorporate more variables and to explore boundary conditions. For these authors, a greater understanding of factors contributing to ease of use and usefulness is needed. A specifically understudy area is examining different information systems and environments.

Different researchers have used TAM to study web-related technology adoption, such as e-mail and word processing, by companies (Lederer et al., 2000). Siamagka et al. (2015) used TAM to explain social media adoption by companies. The authors identified factors that determine adoption and their results indicate that PU of social media, within B2B companies, is determined by image, perceived ease of use and perceived barriers (Figure 1). Furthermore, they found evidence that organizational innovativeness and PU significantly affect the adoption of social media.

**Figure 1: Social Media Adoption Model**

![Diagram](source: Siamagka et al., 2015)
3 METHODOLOGY

This work is qualitative and explorative in nature with the aim to create new and enhanced understanding of an emerging and complex phenomenon (eg. social media adoption by companies). Besides, this research has taken a realist approach.

The data comes from the participant’s experience in adopting social media networks for their business. The chosen method for collecting such data is the semi-structured interview (Creswell, 2003). The qualitative approach with one-to-one semi-structured interviews permits to explore in depth all the facets and perceptions of marketing executives within social media adoption process (Nah & Saxton, 2012).

The interviewees were not selected randomly. They were purposely chosen since they were in a position to provide relevant insights to understand usage and adoption of social media. The executives had a middle or senior managerial position within the marketing function (or overlook marketing, for instance a Vice President of sales and marketing) and worked for a large corporation.

The starting point for gathering research participants came from the researchers’ professional network and, as it is a conceptually driven sampling, new informants were included as information needed to be explored from a different perspective, so new managers were invited to take part in the research. The research development process has a constant flow between data collection and analysis, leading to concepts and back to data collection in a permanent cycle that only ends when there is saturation (Corbin & Anselm, 2008).

Throughout 2015 and 2016 a total of seventeen marketing executives, from different industries, were interviewed. The interviews took place in the interviewee’s company office (except from one that was made by Skype call) and lasted, in average, 47 minutes. The interview guide was composed by questions based on: (i) existing literature of social media adoption and organizational decisions for the adoption of innovative technologies; (ii) field experience of the authors. Each interview was audi-taped and recorded with the explicit permission of the interviewee. Interviews were transcribed verbatim, and the software Atlas.TI, version 7.5 for qualitative analysis was used to perform the analysis. Data were hand-coded paragraph-by-paragraph.

The data set was analyzed using thematic analysis. Thematic analysis encompass identifying in a data set – be that a number of interviews or focus groups, or a range of texts – to find repeated patterns of meaning (Braun & Clarke, 2006). The development of themes and codes was done using a “theoretical” thematic analysis approach. According to Braun and Clarke (2006), this approach is directed by the researcher’s theoretical or analytic interest in the topic, and is therefore more explicitly analyst-driven.

With this approach the codes were initially developed based on the existing literature and researchers own field experience. As the research progress, transcripts were read several times to identify the key themes and categories. This constant revision led in both mapping of recurring patterns of social media adoption and also of new codes.

From the content analysis different factors and relations emerged. These factors were confronted with the existing literature of social media adoption and of TAM. These comparisons possibilities
to identify factors and relations that were not previous considered in the literature and to corroborate some already identified factors and relations. Thus, expanding the knowledge of the phenomenon.

The two researchers, who independently reviewed the transcripts, established inter-coder reliability. Discrepancies in the coding were resolved through discussion.

4 RESULTS

A theoretical model for social media adoption was proposed (Figure 2), based in the literature and the field research results. The research model should not be over complex, allowing a solid research base for future firm-level TAM studies, but at the same time should not be overly simple in its scope avoiding critical reviews about TAM-related studies (Bagozzi, 2007; Yu & Tao, 2009).
The most common point present in all interviews is related to social media results, which was defined as “Results Demonstrability” in the proposed model. According to Venkatesh and Davis (2000), results demonstrability is related to the extent to which results of using a certain technology are visible within a company, and also relates to employees’ challenges in communicating the results to others corporate stakeholders. For these authors, systems may not be adopted, despite being effective, if users find difficulty to relate job performance with system adoption.

TAM proposes that results demonstrability have a positive influence of perceived usefulness. Thus, it can be expected that users will have a better PU if the relation between system usage and positive results are easily visible (Venkatesh & Davis, 2000).

For a certain group of the interviewees there is a strong uncertainty about investment return and there are challenges associated to demonstrate the results obtained in social media marketing. This is in line with Jobs & Gilfoil (2014), for whom lack of financial return is the main reason companies do little investments in social media. In the executives’ perspectives:

“We pay to advertise, to get more clicks and likes. But at the end of the day, I am always with that doubt: how much those likes will revert in sales?” Beauty and cosmetics executive

“I am doing a strong effort for us to use all social media performance tools focused in CRM, in client acquisition, but so far we have performed poorly in all tests.” Retail Executive
“I think that commercially [social media] has not proven itself. There are lot of cool things in digital, but when you look at the financial results of the big ecommerce players, you see that run negative [cash flow]” Retail Executive

This is probably due to the facts that social media channels are very recent and that they are more, for most industries, a relationship channel than a direct sales channel. For Weinberg, Pehlivan, & Street (2011) management has a strong need for “proof” of return over marketing investment (ROI) and an apparently uncertainty about social media return.

On the other hand, there is a group of executives that strongly believe in social media results and the easiness of demonstrating results. In their perspectives:

“What I find very interesting in the online world is that everything is measurable. The banners that we bought, the media we purchased, all the adds that we bought in addwords, everything that was done in Facebook, which posts were more engaging... At the most [in TV] you would question why invest or not invest in a certain TV show. But you cannot measure in the way that you measure the online.” Retail Executive

“Int: do you believe that social media marketing delivers results to your business?
Exec. Certainly! A lot!

Int: How do you see this result?
Exec: When you post something and people are discussing about it, you get to know who are the person who are buying and are eager to know and buy more. So it is much faster to measure things using social media than any other form of stakeholders’ communication.” Finance Executive

So considering the two groups found we propose that results demonstrability have a direct impact, positive or negative, on social media PU.

Presence (or not) of company’s customers in social media platforms was a common factor mentioned in several interviews. Sometimes it was mentioned as factor determinant of investment and in others was mentioned as a barrier for investment. From the interviews:

“Every year we are increasing a bit [social media investment]. And this is connected to the fact that our target audience in several products, especially in fiber broadband, are each day more present in the digital world than in the offline/TV world” Telecom Executive

“Product A or even Product B can be a product for younger people and can be a category that needs a larger investment in social media. If I want to talk to a younger generation, they are more present in the social media.” Food Industry Executive

These perspectives lead to the following proposition: degree of customer’s presence in social media has an impact on social media perceived usefulness.

Social media knowledge was also a preeminent topic in the interviews. This is consistent with previous literature that identified managerial knowledge as key factor of adopting new technologies. Aguila-Obra & Padilla-Meléndez (2006) identified managerial capabilities, together with technological resources, as the main organizational factors that explain Companies’
adoption of internet technology tools. Kiron, Palmer, Phillips, & Kruschwitz (2012) found evidences that the main barrier to adoption of social media is a lack of management understanding and knowledge of social media marketing. For Kietzmann et al. (2011) although social media importance, many executives eschew or ignore this form of media because they don't understand what it is, the various forms it can take, and how to engage with it and learn. Serra et al. (2013) and Kuikka and Akkinen (2011) also identified this barrier. Additionally, it seemed that younger executives more used to social media were more inclined to invest and deploy social media. This is probably related to a better understanding and knowledge of it.

“Exec: I think they [board] still don’t understand [social media] ... they are at that level where talking about digital marketing means to have a website with all the company information.

Inter: and this lack of knowledge could influence investments levels?

Exec: I think so... I think that because when you speak at board level, within this process of investment allocation decision, they have an active role.” Food Industry Executive

“This online world... I am 42 years old and I have the impression that I am super old and outdated”. Telecom Executive

“From my part, there is a large gap of understanding of social media. I feel that I don’t fully understand its metrics and that is always changing”. Beauty and cosmetics executive

Thus, this lead to two propositions: (i) lack of knowledge of social media negatively impact perceived easiness of social media; (ii) executive’s age can influence social media adoption.

Furthermore, an interesting relation between lack of knowledge and the influence of marketing agencies emerged from the interviews. It seems that executives acknowledge lack of knowledge (for themselves and their teams) and rely heavily in external advice from specialists. This finding is corroborate by other studies that recognized the influence of external expert advises on adoption process by companies (Aguila-Obra & Padilla-Meléndez, 2006).

“So, social media was something new to me. Agency X was whom gave me confidence in how to make investments and how to act in Facebook and other media as well. Practically the strategy came from the agency for us only to approve.” Retail Executive

“I say that we are still learning [social media marketing]. I think that I don’t know anything and that I still need to learn a lot to use this tool with property and assertiveness. We are still very influenced by who understands it. For instance, the agency that works with us.” FMGC Executive

Besides specialists, other stakeholder’s appeared as influencers in the decision process. Mainly they are in the figure of younger people in the executive’s team. For instance:
“I have X [a mid-level analyst] in my team. He is an expert, a guru. He is the one who really defines the digital strategy.” Finance Executive

Some executives argue that they believe in the channel, but other stakeholders in the company are not aligned to this vision.

“When we present a campaign in digital marketing normally the board says that it is a complement. An investment in social media will not generate a quick sales result. It will not generate consumption in the retail chain next morning. We still have this vision at board level”. Food industry executive

“Int: so what prevents you from doubling your investment level in social media?
Exec: it is the short-term view. Truly. For you to invest in social media, in building your brand, your perspective has to be longer than the trimester. At the end of the day, it boils down to your CEO agenda.” Telecom Executive

Previous research has evidenced that organizational decision behavior is not only influenced by rational and irrational components of individual decisions, but also by the influence multi-dimensional stakeholders (Nelson & Quick, 2006). Also, Yu & Tao (2009) corroborate the influence of Social Norm as a strong influencer of business-level technology adoption.

Considering the literature and the evidence in the interviews, we propose that: Stakeholders’ influence has a positive impact in Subjective Norm.

In the interviews, very often a common perspective that digital and social media marketing are the future pathway was mentioned. Interviewees, in different degrees, seemed confident that there is no way back in investing in digital marketing and that their industry or the market as whole was moving in this direction. In the interviewee’s’ perspectives:

“The whole world is talking that digital media is growing, that is very important, that it is growing and that has a more direct conversation with the consumers” FMGC executive

“Why is not zero [investment in social media marketing]? There is a common sense that zero is wrong because the world is changing for this. Therefore, something we should invest.” Telecom executive

“By hearing so many times that is the path [social media marketing], by seeing examples of big companies... that you end up saying “ok”. FMGC executive.

Considering the literature and the evidence in the interviews, we propose that: Common sense for digital media positive influences Subjective Norm.

5 CONCLUSIONS

There is limited research in social media adoption at firm level. In this sense, this research contributes to existing theory by building on previous work on models of social media adoption. The proposed model of adoption corroborates some of the findings of Siamagka et al. (2015) and, at the same time, proposes that other variables also influence adoption. Specifically, we identified a variable (common sense or digital) that has not been acknowledged previously in the literature.
From a managerial perspective, this research is relevant for large companies’ executives, social media platforms and agencies as it presents perspectives and insights on levers and barriers that marketing executives have regarding social media. Each stakeholder may use this information to minimize barriers of adoption and to foster levers. For instance, training and presentation of success cases may be very useful for executives that hinder away from social media marketing.

There are limitations to this study. First of all, our results are based on small set of interviews, thus cannot be extrapolated to apply to all companies in the process of adopting and using social media. The interviewees were also handpicked from the researcher professional network and may as such be biased.

The authors intend to follow up on this research by extending the study with a quantitative phase of it to further explore the propositions and relations identified. Other potential interesting research topics include evaluating barriers to adopt in other group of organizations such as SME business.

6 REFERENCES


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