

## DOES (COMPANY) SIZE MATTER? DIFFERENCES IN SOCIAL MEDIA USAGE FOR BUSINESS PURPOSES

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### ABSTRACT

Ninety-nine percent of all companies in the European Union (E.U.) are small to medium-sized enterprises (SMEs). Together, they provide employment for more than half of the European workforce. In its digital Agenda communications and JRC reports, the E.U. expressed high hopes regarding the expected positive impact of social media on employment, social inclusion and economic growth. These observations imply that the E.U. needs to focus on social media adoption if it wants to attain its targets as defined in the Europe 2020 strategy. A study by the International Data Corporation revealed a growing acceptance of social media in SMEs. (Bonagura, 2013) The question addressed in this dissertation is whether company size alters the nature and intensity of the adoption process. To this end an online survey was distributed in a knowledge-sharing network, yielding 182 responses, a 21 % response rate. Our survey covered four areas, which a McKinsey report (2012) identified as holding much potential for value creation, namely (1) internal communication, (2) external communication, (3) knowledge sharing and (4) recruitment. The analysis of our data showed that Social Network Sites (SNS) like Facebook or LinkedIn are the most popular platforms and are mostly used to communicate with external stakeholders. Statistical significant differences related to company size were mainly found with regard to the use of internal social media, which are mostly adopted in large enterprises. A second interesting finding is that both SMEs and larger companies reported important benefits related to the adoption of social media. To conclude, a number of factors were identified as hampering the adoption process. All organizations seem to be in need of both tangible (money) and intangible (time, knowledge, skills) resources. Blocking access to social media seems to be the only challenge significantly more prevalent in large enterprises.

**Keywords:** social media; company size; social network sites; SNS; SMEs.

## **INTRODUCTION**

In its latest Digital Agenda communications and JRC reports, the European Union expressed high hopes regarding the impact of social media on employment, social inclusion and economic growth. Unquestionably, these ICTs offer strategic opportunities to companies, e.g. new means for participation, new grounds for branding and new types of interaction, both for internal and external business processes. Flipside to this are professional organizations' concerns about security and privacy, the lack of successful business case examples and the large investments needed to exploit social media optimally.

In February 2013, the International Data Corporation (IDC) announced findings from a large-scale survey in five western European countries about social media adoption within small and medium-sized enterprises (SMEs). Newsworthy is their prognosis of a swift evolution of social media deployment for business purposes, next to the statement that the level of adoption is strongly related to company size. Such studies offer relevant insights, considering that ninety-nine percent of all companies in the European Union are SMEs, and given that these employ over half of the European workforce. Other recent monitoring studies with regard to social media focused significantly more on private than business usage, or were conducted to explore corporate employment of specific applications such as social networking services, twitter or internal networks within particular areas such as public relations.

There are only a handful of empirical studies on the adoption of Internet technologies in which the authors define clearly which platforms are considered to be social. To avoid the pitfalls of focusing on a specific platform of which the life expectancy is unknown, we have chosen to use an existing classification of different categories of platforms. We consider this important to avoid the danger of using social media as a container term. Using a detailed classification additionally allows to test more in-depth whether differences in adoption exist between different platforms according to company size. An additional contribution of this study is that it offers a first look at the adoption process of different social media tools in a knowledge-sharing network.

This goal of this study is to detect whether SMEs differ significantly from larger enterprises regarding the adoption of social media for business purposes. Such endeavor is relevant given the aforementioned gaps in the academic literature. Firstly, the study seeks to address the following question: How and why do organizations adopt social media for business purposes? To this end, a survey instrument was developed and pretested in order to measure social media usage in terms of tools, intensity and diversity of use. The central constructs of the survey are derived from several models on the adoption and diffusion of ICTs of which the Innovation Diffusion Theory (IDT) (Rogers 2003) and the Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh, Thong, and Xu 2012) are the most important ones.

Based on a McKinsey report (Chui et al. 2012), we demarcated four business purposes where the adoption of social media holds most potential for value creation: 1)

internal communication, 2) external communication, 3) knowledge sharing, and 4) recruitment. The McKinsey study additionally points out one can expect considerable changes within these particular areas. Secondly, our research aims to identify significant differences in social media usage. It was hypothesized that social media adoption differs significantly depending on company size, expressed in number of people employed. In particular, it was expected that the larger the company, the more likely it has already adopted use of social media, it employs a greater diversity of social media for a larger variety of business purposes. The reasons for this are thought to be related to Nielsen's 1-9-90 rule (Nielsen 2006), scale advantages and a different cost structure.

One hundred and fifteen employees from 86 professional organizations were included in the statistical analysis. The main results can be summarized as follows: 1) overall, within the corporate sector most popular social media tools are internal networks and social network services, which are mainly deployed for internal and external communication purposes, 2) our data seem to confirm the idea that larger companies do indeed have the advantage over SMEs when it comes to the adoption of social media. These results add to previous research, and indicate that further, more broad-scale research is needed to test differences in social media adoption between SMEs and large companies. Implications for practice and theory are discussed.

## **BACKGROUND**

A first central concept in this study is one that has been popularized under the name of 'social media'. Most scholars would agree that this term is rather vague and open to all kinds of ICT platforms. Some authors take a very broad view on this term while others tend to restrict it to popular Social Networking Services (SNS) like Facebook and LinkedIn. Some approach the concept from a technological perspective while others use classifications based on the characteristics and functions of the different tools (Abeyasinghe and Alsobhi 2013, 267).

A number of scholars have argued that social media did not 'suddenly appear' but are instead the outcome of a long evolution in information technologies (Backhouse 2009, 2). These new 'social' media platforms are part of an evolution in what has been coined 'Web 2.0' by Tim O'Reilly. Web 2.0, according to O'Reilly, means a "change from the web as a publishing platform to a tool supporting participation (Fuchs 2007, 390)." Manuel Castells (Castells 2011) prefers to talk about a paradigm shift in which the age of mass communication has given way to an age of mass-self communication. The implementation of Web 2.0 tools in a business context has sometimes been referred to as 'Enterprise 2.0' (McAfee 2006).

It is clear that social media as a concept defies easy definitions. Common characteristics include participation of the user, computer mediated communication (CMC) and more interactivity between producer and consumer, sometimes labeled 'Prodsusage' (Bruns 2008). In this article we have chosen to use the classification made by Cann et al. (Cann, Dimitriou, and Hooley 2011).

**Table 1:** Classification of Social Media Tools by Cann et al. (2011)

<b>Social media tool</b>	<b>Examples</b>
Social bookmarking, news & social citation	<a href="#">Digg</a> , <a href="#">Mendeley</a> , <a href="#">Delicio.us</a>
Social networking services	Facebook, <a href="#">Linkedin</a> , MySpace
Virtual worlds	Second life
Blogging & <a href="#">microblogging</a>	<a href="#">Wordpress</a> , Blogger, Twitter
Document & presentation sharing	<a href="#">Scribd</a> , <a href="#">Slideshare</a>
Audio, photo, video	Flickr, <a href="#">Youtube</a> , <a href="#">Spotify</a>
Collaboration	<a href="#">Dropbox</a> , Google Docs
Project management & meeting	Adobe connect, Citrix, Skype
Information management	RSS, <a href="#">iGoogle</a> , <a href="#">Netvibes</a>
Location	Foursquare
Internal social network	Intranet

In contrast to the previous concepts the idea of what constitutes an SME has been clearly defined by EU law (EU recommendation 2003/361). In this definition, two criteria are taken into account, namely the number of employees and the yearly turnover or balance sheet total. We have taken the constant in this definition, being the number of employees, as central criterion in our analysis.

## **ADOPTION AND USE OF SOCIAL MEDIA: EXISTING MODELS**

The aim of this section is to provide the reader with an overview of theoretical frameworks that can be used to study the adoption of social media in professional contexts. The goal is not to discuss the separate models in detail. Instead we have chosen to highlight possible venues for current and future research. The first models presented are general models on the adoption of technology. Next, we list models to study SMEs' adoption of Information System (IS) innovations. We conclude with a state of the art focusing specifically on the adoption of social media in SMEs.

**Table 2:** Models on the adoption and diffusion of technology

<b>Name of the model</b>	<b>Abbreviation</b>	<b>Authors</b>
Theory of Reasoned Action	TRA	<a href="#">Fishbein &amp; Ajzen, 1975</a>
Technology Acceptance Model	TAM	Davis, 1989
Theory of Planned Behavior	TPB	<a href="#">Ajzen, 1991</a>
Combined TAM-TPB	C-TAM-TPB	Taylor & Todd, 1995
Model of PC Utilization	MPCU	Varela et al., 1991
Innovation Diffusion Theory	IDT	Rogers, 2003
Social Cognitive Theory	SCT	<a href="#">Compeau &amp; Higgins, 1995</a>
Unified Theory of Acceptance and Use of Technology	UTAUT	<a href="#">Venkatesh et al., 2003</a>

Note: Original overview presented in the work of Talukder et al. (Talukder, Quazi, and Djatikusumo 2013, 1687)

**Table 3:** Models on the adoption of IS innovations in SMEs

Name of the model	Abbreviation	Authors
Stage Theory	ST	Poon & Swatman, 1999
Technology Acceptance Model	TAM	Grandon & Pearson, 2004
Theory of Planned Behavior	TPB	Harrison et al., 1997
Combined TAM-TPB	C-TAM-TPB	Riemenschneider et al., 2003
Resource-Based Model	RBM	Mehrtens et al., 2001
Innovation Diffusion Theory	IDT	Premkumar, 2003
Technology Acceptance Model 2	TAM2	Venkatesh, 2000
Unified Theory of Acceptance and Use of Technology	UTAUT	Anderson & Schwager, 2004
Technology-Organization-Environment Framework	TOE	Tornatzky & Fleischer, 1990

Note: Original overview presented in the work of Ramdani et al. (Ramdani, Kawalek, and Lorenzo 2009)

Studies on the organizational adoption of social media can be subdivided into two groups. A first group of studies is focused on the organizational adoption of social media while a second group puts more emphasis on the individual adoption of these tools. What both groups have in common is that the bulk of all studies concentrate on large enterprises. This has also been noticed by Peris et al. (Peris et al. 2013) who write that: *“as a result we can state that in academic research the acceptance of Web 2.0 and social media across companies and especially in the context of SME networks is not considered so far (p. 2795).”*

Some scholars argue that the adoption process of different social media can differ. Barnes & Mattson (Ganim Barnes and Mattson 2009) for example have witnessed growth in some technologies (e.g. SNS, Blogging) while the use of others (e.g. message boards, podcasting) declines. Ramdani et al. (Ramdani, Kawalek, and Lorenzo 2009) offer a possible explanation by arguing that factors influencing the adoption process differ according to the specific tools under study.

In this research we focus on the adoption of social media at the organizational level in contrast to adoption at the personal level. This means that adoption is only considered as such when it is accepted as an official communication tool within the organization. Additionally, we do not only consider social media use but also adoption, perceived output and obstacles preventing adoption. We have chosen not to focus on specific platforms because these can disappear as witnessed in the rapid decline of previously popular platforms like MySpace and Netlog. Instead we choose to work with categorizations of platforms as suggested by Cann et al. (Cann, Dimitriou, and Hooley 2011).

### **RETURN ON INVESTMENT (ROI): REPORTED BENEFITS OF USING SOCIAL MEDIA**

In 2003 Venkatesh et al. postulated the Unified Theory of Acceptance and Use of Technology (UTAUT) for explaining user intentions and subsequent usage behavior of information systems. The authors identified performance and effort expectancy, social

influence, and facilitating conditions as determinants with direct impact. The impact of these four key constructs on usage intention and behavior are mediated by gender, age, experience, and voluntariness of use. Subsequent validation of UTAUT in a longitudinal study found it to account for seventy percent of the variance in usage intention (Venkatesh et al. 2003).

In this light we can understand the finding of Durkin et al. (Durkin, McGowan, and McKeown 2013) who argue that a universally common motivator for social media adoption is that companies share the anxiety of losing out if they do not adopt the new tools. In contrast to what we might expect when reasoning from a rational theory perspective, Durkin et al. (2013) argue that anxiety is the main driver of social media adoption, not a thoughtful and well-planned agenda.

In line with this finding there are a number of studies of which the authors state that the adoption of social media is often the result of 'convenient implementation', mostly focused on achieving quick gains (Annabi and McGann 2013, 63). Under the same heading can be categorized those situations where social media are adopted to respond to an internal communication or public relations crisis (Norman and Huerta 2006).

In SMEs, decisions on the adoption of new tools cannot be detached from the entrepreneur's perception of their use. According to Marcati et al. (Marcati, Guido, and Peluso 2008, 1583) entrepreneurs tend to think of innovations as incremental and more dealing with production than marketing or accounting. However, we feel that the important nuance must be made that these findings may vary according to the business or sector under study.

A survey of the International Data Corporation (IDC) has shown that SMEs seem to have reached certain maturity in using social media for customer facing and marketing processes but often fail to identify how to leverage social media tools into other areas (Bonagura 2013). Our aim in this study is therefore to focus on a number of fields in which the adoption of social media has most value-creating potential. Based on a McKinsey report (2012), we have identified four domains, which we have labeled "internal communication", "external communication", "knowledge sharing" and "recruitment".

## **THE ADOPTION OF SOCIAL MEDIA: EXISTING CHALLENGES**

Related to the previous section on ROI are the existing challenges in adopting social media successfully. Kuikka & Äkkinen (Kuikka and Äkkinen 2011) have categorized these challenges into two broad groups. A first group consists of challenges organizations face internally. One of the most important elements hindering the adoption is a lack of resources. This problem is expected to be even more prominent in SMEs where budgets are tight and employees already combine tasks in their current jobs. As already mentioned, the personality of the entrepreneur is also an important factor in understanding why some SMEs adopt new technological tools while others do not. Internal discussions on whether to adopt a new technology also often revolve around the question of clear arrangements on authorization and ownership in using the new tools.



External challenges, the second group in the analysis of Kuikka & Åkkinen (2011), are those factors that cannot be entirely controlled by the organization. These same authors mention legal issues, concerns about the alignment of public and private network identity as well as fear for the effects on company reputation as belonging to this group. A central element in all these factors is an existing uneasiness of corporate decision makers to relinquish control.

Research on the factors hampering the adoption of social media in SMEs is still in its early phases. This gap in the literature is even more pressing in the face of a study published by Gartner in which the authors argue that 80% of social business initiatives will provide disappointing results over the next three years (Mann et al. 2012). In a common social business report, MIT Sloan Management Review and Deloitte report three reasons why social media initiatives fail so often. Full details can be found in the report (Kiron et al. 2013). However, what is interesting for this research is what these reasons have in common. The conclusion comes down to the observation that organizations launch social business projects without clear objectives, are reluctant to invest resources (mainly time and money) and expect too much too fast in terms of financial returns. These ingredients create a fertile soil for boom-and-bust scenarios in which managers expect too much from a technology that contributes to their disappointment if the technology does not bring the expected results or financial gains.

## **METHOD**

The first step in answering the question whether SMEs are different from larger enterprises with regard to the adoption of social media platforms consists of selecting an appropriate sample. The option of choosing a random sample of all enterprises active in a given geographical location was dropped because there are no indications to expect differences based on this factor. Instead, we tried to find a network of organizations of which the members are expected to be amongst the early adopters. It is expected that if differences with regard to company size are spotted here, they are likely to be found in other samples as well. VOV, a non-profit networking organization focusing on Human Resources (HR), more specific knowledge sharing in public and private businesses, fulfilled the necessary criteria and granted access to its members' database. A sufficiently large sample was obtained ensuring the reliability of our results.

An online anonymous survey was developed and disseminated through the use of Qualtrics. The reason for choosing this type of survey is related to the fact that online communication is the standard mode of interaction between VOV and its members. Other means of distributing the survey are not expected to significantly alter the obtained results. The survey was sent to all members of the network, being 848 employees from 396 organizations. The members are active in various professional activities in different economic sectors. The questionnaire was distributed between 19 April and 8 May 2012 and yielded 182 responses, which results in a response percentage of 21 %. The obtained data can be considered statistically representative for all members of VOV Network when working with a confidence level of 95% and a margin of error of 7 %.

A total of 67 responses were excluded from further analysis because they did not supply sufficient information about the variables of interest. All people who filled out the survey are members of VOV and therefore comparable in terms of their ability to answer the survey questions. Most of the respondents (43%) are working in HR departments.

The survey consisted of 27 questions falling under 4 headings reflecting the 4 selected fields of interest (internal communication, external communication, knowledge sharing and recruitment). A number of statistical tests were run in SPSS to detect whether the observed differences in the use of different social media platforms and the intensity of this use in the aforementioned fields of interest were also statistically significant. The results of this analysis are presented in the following section.

## RESULTS

An overview of the literature has led us to the conclusion that there are few studies offering comparative data on the adoption rates of different social media platforms in organizational contexts allowing scholars to determine whether social media adoption takes on different forms in SMEs. Based on the classification of social media tools by Cann et al. (2011) we have looked for significant differences between SMEs and larger organizations with regard to the adoption of different social media platforms in four important value-creating areas (internal communication, external communication, knowledge sharing, recruitment).

**Table 4:** Adoption of Social Media Tools in Four Value-creating areas

	Internal Communication	External Communication	Recruitment & Selection	Learning & Development
Social Bookmarking, news & social citation	1	0	0	1
Social Networking Services	19	57	40*	21
Virtual Worlds	0	0	1	0
Blogging & Microblogging	11	39	8	13*
Document & Presentation Sharing	9	9*	0	13
Audio, Photo & Video	19	26	6*	16
Collaboration	22	10	2	13
Project Management & Meeting	26	12	2	14
Information Management	2	1	0	2
Location	1	5	0	1
Internal Social Network	52**	10	19**	36**

n = 105 (total number of respondents)

\* Significant differences found between SMEs and larger organizations at 0,05 level

\*\* Significant differences found between SMEs and larger organizations at 0,001 level

The results in table 1 indicate that, in almost all cases, less than half of the respondents report using social media platforms in our domains of interest. Social networking services (including popular platforms like Facebook and LinkedIn) are clearly the most used. The figures show that blogging and microblogging services like *Blogger*, *Twitter* and *Wordpress* as well as internal (social) networks including social intranets are also widely used. In line with our expectations, these data suggest that not all platforms are used to the same end. Some, like internal social networks are most suited - and therefore logically also most used – for internal communication purposes while other tools, like Social Networks



Services (SNS) and (micro)blogging are rather used to communicate with external stakeholders.

**Table 5:** Statistically Significant Differences between SMEs and larger enterprises regarding the adoption of social media platforms in four domains of interest

	<250	250+	Chi <sup>2</sup>	P-value
Social Networking Services/Recruitment & Selection	12	28	5,695	0,017
Blogging & Microblogging/Learning & Development	10	3	6,207	0,013
Document & Presentation Sharing/External Communication	7	2	4,34	0,037
Audio, Photo & Video/Recruitment & Selection	0	6	5,157	0,023
Internal Social Network/Internal Communication	14	38	13,259	0,000
Internal Social Network/Recruitment & Selection	2	17	10,996	0,001
Internal Social Network/Learning & Development	8	28	11,256	0,001

Only in a few cases did we find significant statistical differences between SMEs and larger organizations with regard to the adoption of different social media tools in the four areas of interest. The details of these results can be found in table 2. A remarkable finding is that 3 out of 7 statistically significant differences were related to the use of an internal social network. These figures show that there is a higher chance of finding internal social networks in large companies.

Where statistical significant evidence was found, the data seem to argue in favor of the hypothesis that large companies have higher adoption rates of different social media platforms in the four value-creating areas under study. However, higher adoption rates do not give us any information about the intensity with which these platforms are used. A different analysis comparing the mean ranks regarding the intensity of use of different platforms between SMEs and their larger counterparts revealed, in line with our hypothesis, that the intensity with which social media platforms are used is also higher in large enterprises. Still, a critical nuance to be made is that this conclusion does only hold in the case of SNS and internal social networks. Unsurprisingly, these are also the best known and most used platforms. The lack of statistically significant results in the other cases is most likely due to the low adoption rates of these other social media platforms.

**Table 6:** Comparing the intensity of use of different social media platforms between SMEs and larger organizations

	<250 (mean rank)	250+ (mean rank)	Mann-Whitney U	P-value
Social Bookmarking, news & social citation	40,19	40,73	771,5	0,859
Social Networking Services	38,77	57,89	721,0	0,001
Virtual Worlds	39,50	39,50	748,0	1,000
Blogging & Microblogging	43,91	44,07	932,5	0,975
Document & Presentation Sharing	40,57	44,88	798,0	0,351
Audio, Photo & Video	39,00	44,08	731,0	0,320
Collaboration	43,77	40,58	785,5	0,523
Project Management & Meeting	43,59	38,40	705,0	0,228
Information Management	37,96	41,63	698,5	0,201
Location	37,87	41,69	695,5	0,183
Internal Social Network	30,94	53,88	448,0	0,000

There are several reasons why organizations adopt social media into their daily workings. Amongst the more important reasons are the expected gains derived from this adoption process. This can be expected since organizations hope to get a good return on

investment (ROI). A remarkable finding of our survey is that respondents report positive effects brought by using social media and this in all four fields included in the analysis. However, no statistically significant differences were found between SMEs and larger organizations regarding these reported benefits. The data additionally reveal that respondents have a hard time calculating the effects of social media adoption on company turnover. This conclusion can be drawn from the fact that almost half of the respondents who answered this question took a neutral position.

**Table 7:** Reported benefits of adopting social media

	Very Negative	Rather Negative	Neutral	Rather Positive	Very Positive
Turnover	0,00%	0,00%	47,20%	44,40%	8,30%
Product/Company Image	0,00%	1,50%	13,60%	53,00%	31,80%
Customer Relations	0,00%	0,00%	17,70%	59,70%	22,60%
Attracting talent	0,00%	0,00%	23,70%	54,20%	22,00%
Internal working procedures	1,50%	0,00%	20,00%	53,80%	24,60%

Of our sample 78,1 % of all respondents indicates that their organization uses social media professionally. Except for those respondents who were not sure (4,4%) this leaves us with 17,5 % reporting their organization has not yet adopted social media. This brings us to the important question why certain organizations opt-out for this innovation. Based on our theoretical framework including several models like Rogers' *innovation diffusion model* and Venkatesh' et al. *Unified Theory of Acceptance and Use of Technology (UTAUT)*, we have included a number of questions to briefly test which factors respondents consider to be decisive obstructions in the adoption process. A statistically significant difference was found between SMEs and larger organizations with regard to blocking access to social media platforms. This phenomenon seems to be substantially more common in the latter ( $\text{Chi}^2 = 4,508$ ;  $p = 0,034$ ). Lack of knowledge and skills on how to use social media as well as lack of time are also frequently named, regardless of the size of the organization, as obstacles in the adoption process.

## DISCUSSION AND CONCLUSION

In the European Union SMEs make up 99% of all companies and provide employment for more than half of the European workforce. As a result, the European Commission has no choice but to consider these stakeholders in future initiatives aimed at leveraging social media in order to raise employment rates, encourage social inclusion and stimulate economic growth. Based on a recent IDC study reporting growing acceptance of social media among Western European SMEs, we would be inclined to conclude that things are moving in the right direction. However, the question remains whether an adoption gap still exists between SMEs and larger organizations.

Based on a thorough screening of the academic literature, we have derived the hypothesis that bigger companies are in the lead with regard to social media adoption and use. Up until now the majority of scholarly contributions have approached social media as an aggregate or focused on a specific platform. Additionally, social media adoption is often studied as if it were a cause in itself. With our research we added to existing knowledge by making comparisons between platforms and this in four areas where, according to a

McKinsey report (2012), most value creation remains untapped. We did not only focus on the adoption of social media platforms in these areas but additionally examined respondents' perceived ROI of these initiatives. To conclude, those who did not (yet) adopt social media were asked why this was the case.

In spring 2012 a survey was disseminated among members of a knowledge sharing networking organization. Our data revealed that most respondents are HR professionals working in various organizations. A response rate of 21% resulted in a sample statistically representative for all members of the network. The sample size in itself can be seen as offering a unique view of social media adoption in the early-adopter segment of the market. Our results on the differences in social media adoption and use according to company size are therefore expected to be even more pronounced in random samples.

Our data have shown that social networking sites are the most popular platforms and that the focus of most organizations is aimed at leveraging social media to communicate with external stakeholders. Where statistically significant differences were found they seem to confirm our initial hypothesis that larger companies, in comparison with SMEs, are more likely to adopt social media platforms and more inclined to use them more intensively. Especially with regard to the adoption of internal social media did we notice significant differences revealing that company size fundamentally affects internal communication processes.

A second group of results shows that respondents report positive effects in several important fields like customer relationship and company image. Even more interesting is that, with regard to the reported benefits, SMEs do not differ significantly from larger enterprises. This seems to indicate that the benefits of social media are not reserved solely for large organizations.

To conclude we found that factors most frequently named as hampering the adoption process of social media are factors related to blocked access (significantly more prevalent in large organizations), a lack of knowledge and skills as well as tangible (e.g. money) and intangible (time, effort) resources. From our data we can therefore confirm our initial hypothesis that company size does matter with regard to the adoption of social media and that companies mostly focus their efforts on a few popular platforms like LinkedIn, Twitter and Facebook to reach out to external stakeholders. However, once adopted both large organizations and SMEs seem to perceive important benefits. The results are hopeful but do indicate that SMEs are still catching up and lack knowledge, skills and resources to match the efforts of the bigger players. This information should encourage the E.U. to invest its resources where they have most potential to unlock value. Only this way can the E.U. obtain its goals and remain competitive with other economies.

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