

Chapter 12

Usage and Performance of Enterprise Micro-Blogging: From the Perspective of Resourced-Based View Theory

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ABSTRACT

The increasing use of micro-blogging as a marketing tool has increased research attention on usage and performance of enterprise micro-blogging. Based on research on information system (IS) usage and resource-based view (RBV) theory, this study sets up a model to reveal the mechanism of business value creation of enterprise micro-blogging. The model consists of metrics on micro-blogging usage, marketing capability, micro-blogging operational performance, and firm performance. Questionnaires were distributed to firms that use micro-blogging on Weibo of Sina. This study collects 241 valid responses for empirical analysis. The results suggest that the use of enterprise micro-blogging improves operational performance of enterprise micro-blogging directly and indirectly by increasing marketing capability, while operational performance of enterprise micro-blogging significantly affects firm performance. Furthermore, different use affects marketing capability and operational performance differently. This study extends the stream of research that combines IS usage and RBV theory.

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INTRODUCTION

An increasing number of firms use micro-blogging as a tool for brand building, marketing, and customer service. According to data from the 2012 Corporate Weibo White Paper, by the end of February 2012, a total of 130,565 firms across 22 industries have registered enterprise micro-blogging accounts on Sina (its micro-blogging site is now named Weibo.com, which is the leading micro-blogging platform in China). These firms include Fortune 500 and Chinese companies, and many of them have already launched successful marketing activities, improved customer relationships, and created brand value. For instance, the enterprise micro-blogging of a company called Kuaishubao has 30,000 followers, and one-third of the company's sales revenue comes from the micro-blogging channel. However, many companies still face several problems related to effective and efficient operation or usage of their micro-blogging. Many firms do not fully understand the potential benefits of micro-blogging, and performance measurement of micro-blogging is also an emerging challenge. Furthermore, firms need to know how to conduct micro-blogging in a way that benefits them. Therefore, the business value of enterprise micro-blogging usage is becoming an important topic in business and academic research.

Scholars have investigated micro-blogging usage and its effects on a firm's marketing, branding, and interaction with customers (Culnan et al., 2010; Hoffman & Fodor, 2010; Smith et al., 2012; Ding et al., 2014). Fischer and Reuber (2011) studied how Twitter usage affects entrepreneurs and entrepreneurial firms. They suggested that perceived time affordability predicts the degree of social interaction to which an entrepreneur engages customers via Twitter. Furthermore, community orientation and community norm adherence moderate the consequences of social interaction through Twitter. Jansen et al. (2009) examined micro-blogging usage for electronic word of mouth branding based on the view that brands constantly compete for the attention of potential customers (Davenport & Beck, 2002). Their result implies that brand awareness and image are increasingly influenced by Web communications and social networking services. Specifically, word of mouth (WOM) in micro-blogs could improve customer satisfaction, brand trust, and brand commitment, thus leading to positive customer behavior. Hennig-Thurau et al. (2014) claimed that negative word of mouth about a movie in Twitter decrease its revenue in the first weekend. Hanna et al. (2011) suggested that social media platforms such as Twitter, Facebook, and YouTube comprise an integrated social media marketing ecosystem. Therefore, firms should build their integrated marketing strategy on these platforms creatively.

Despite the aforementioned studies, the prior researches about the usage or operation of enterprise micro-blogging and its business value have the following major shortcomings: 1) they have not verify indices measuring the effects of enterprise micro-blogging; 2) they have not linked the usage of enterprise micro-blogging with its business value in the perspective of empirical study with survey; 3) the studies are seldom based on sound theories. Thus, in order to fill the above gaps, in the view of enterprise micro-blogging as a new kind of IT tool used by firms to enhance their marketing and customer service, this paper take the following three streams of research as the theoretical background: the traditional and popular theory used in IT business value and marketing capability- resource-based view (RBV) (Melville, et al., 2004; Day, 1994); the researches about the link of IT usage and business value (Subramani, 2004; Devaraj & Kohli, 2003; Jahn & Kunz, 2012); the researches about the performance metrics on social media (Culnan et al., 2010; Hoffman & Fodor, 2010; Larson & Watson, 2011; Lee et al., 2015).

The rest of this paper is organized as follows: the theoretical background of the study is discussed first, followed by the research model and hypotheses. The research methodology is then presented, followed by data analysis. Finally, the conclusion of the study is presented.

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