Social Media and Entrepreneurship: Tools, Benefits, and Challenges. A Case Study of Women Online Entrepreneurs on Kilimani Mums Marketplace on Facebook

Eunice Mukolwe
Assistant Lecturer
Department of Tourism and Hospitality Management
Kisii University,
P.O Box 408-40200 Kisii
Kenya

Dr. Jacqueline Korir
Senior lecturer
School of Tourism Hospitality and Events Management
Moi University
P.O BOX 3900 Eldoret
Kenya

Abstract
Social media is a new phenomenon that has changed how the business environment operates. Contributions of Facebook, Twitter, Linked In and Google+ among other online platforms, despite being new in the business world, brings with it endless opportunities. If well harnessed, and their challenges addressed, social media tools can spur economic development and contribute to the realization of Kenya's Vision 2030. Today it is important for business owners and marketers to understand how social media works as a communication tool and how they can grow their businesses by implementing a social media strategy. It is then imperative that benefits and challenges of this technology on business be understood. In Kenya, there is a growing trend by women entrepreneurs to open business through online platforms. Hence, this paper evaluates how social media can boost women entrepreneurship by looking at benefits, challenges and the social media strategy that can be implemented.

Key Words: social media, small and medium enterprises (SMEs), women entrepreneurship

1.0 Social Media and Women Entrepreneurship

With the increase in the number of internet users, the use of social media has grown over the past decade. And the usage has progressively grown from individuals to businesses. Many organizations today proactively use social media as a vehicle to reach out to millions of prospective and repeat customers. Social media has revolutionized business the world over; albeit at different levels in different parts of the world. According to the latest statistics by the global web index, over 42% of the world’s population is connected to the internet and more than three billion users worldwide use social media. According to Facebook (2016), more than three million businesses are actively advertising on it and more than fifty million small businesses are using free pages on their platform. The number of Internet users in Kenya grew by a 32.9 per cent to stand at 29.6 million, meaning more than half of the population has access to the Internet (Communications Authority, 2016) This has been made possible through mobile phone internet penetration (global web index, 2016). The 21st century has seen a shift in the way businesses market their products and services.

Businesses in the service industry, such as hospitality, tourism, banks and telecommunication that engage in constant communication with guests are drastically changing their marketing strategies by choosing this new age interactive media over traditional practices of marketing and public relations (Seth,2014).Social media sometimes referred to as social networking and Web 2.0 refers to collaboratively produced and shared media content and to network communities.
The users of social media have the ability of sharing their views and encounters. This assists in creativity, open communication and sharing of knowledge among users (Tapscott and Williams, 2008). Owing to the flexibility of social networking tools, businesses can realize different benefits. These according to Smith and Taylor, (2004) are greater access to different audiences, improved customer service, improved products and services and adoption of favorable pricing practices (Jagongo and Kinyua, 2013). Social networking allows businesses to gain access to resources that might otherwise not be available to them. It can also aid the development of a firm’s worthiness, increase the customer and supplier contacts, and bring to light where resources and funding are available, promote innovation, and help in the cultivation of strategic partnerships (Zontanos and Anderson, 2004). In agreement with these sentiments are Jaokar, Jacobs, Moore and Ahvenainen (2009) who posit that the internet has brought about several new elements for instance; it has made consumers more accessible, it has emerged with a completely new set of communication tools that make the process of exchanging information much easier and faster, and it has compelled companies to rethink how they are communicating with their customers (Jagongo and Kinyua, 2013).

Entrepreneurs, marketers, and consumers are witnessing the appearance of virtual social media. Many businesses are now turning to social networks as a worthwhile communication tool and, if used adequately, they can significantly improve their online presence, in the form of effective promotion. To achieve success with the online marketing, the marketers need to have a presence in the environment that their customers inhabit. Mark Zukerberg, co-founder of Facebook supports this by saying that advertising is fast changing and businesses need to understand the usage of Internet technologies in order to remain relevant (Maymann, 2008). As there are low barriers to the use of social networking technologies, small businesses can make use of social media in the same ways that large corporate can, without the need for extensive resources.

Fruhling and Digman (2000) set out that the adoption of the Internet can help a business increase its customer and market base and this makes a contribution towards the business’ growth strategy. The internet can also facilitate a business to expand its scope and extending its main business through market penetration and development or product development. Porter (2001) goes further to say that the relationships formed via the internet can boost sales and generate opportunities to come up with new products and services. Mangold and Faulds (2009) recognize that social media allows an enterprise to connect with both existing and potential customers, engage with them and reinforce a sense of community around the enterprise’s offering(s). Further, an information rich website can help a business to develop relationships with customers by providing marketing that is more effective, new communication and distribution channels, shorter time to market, customized products, 24 hour online technical support, and online interactive community.

Social networking can be an excellent way to acquire new customers and retain existing ones. The real challenge lies in the way to engage with the audience on a personal level. Social networking sites can build online groups around various companies, where clients and prospective customers can interact with like-minded individuals. These groups provide valuable insights, plus useful feedback that help the marketers improve their products to suit the needs of their customers. This important feedback can assist in advancing their marketing efforts, and the general brand values their company projects. The use of social media as a marketing tool allows companies to mingle with fellow professionals in the field, conduct research, connect with the community, and get business opportunities (Smith and Taylor, 2004). Social networking has led to the introduction of social media marketing and presented new ways of communicating to expand audiences on various Internet platforms. Marketers can no longer rely on mass media channels alone to communicate with their consumers. They must adopt new strategies if they wish to succeed (Kotler and Armstrong, 2011).

Developing countries need to adopt Internet technologies especially in small to mid-size businesses in order to improve processes, efficiency and to be more competitive. The problem is that many SMEs do not know where to go, they think that they cannot afford it or do not know how to handle the challenges associated with social media (Jagongo and Kinyua, 2013). In Kenya, social media and social networking are still gaining popularity and their understanding as marketing tools is still yet to be embraced fully. Conservative marketing practices in the country are undergoing a transformation owing to the Internet. SMEs have a significant function in national economies both as employers and by cooperatively contributing an average of 90% of national economic output (Wielicki and Arendt, 2010). Sarvanan, Gupta and Ghatak (2013) further reveal that SMEs comprise over 90 per cent of African business operations and contribute towards over 50 per cent of African employment and Gross Domestic Product (GDP).
Social networking allows for ease of collaborating, allowing people to easily meet, gather information, and stay in touch with others at a very low cost. The web allows businesses to build on the assets that they already possess, like brand name recognition, operational infrastructure, and information and customer relationships in order to develop new markets and distribution channels. Meeting with new network locally and from other countries can be done anytime and anywhere. Goel (2008) further states that the Internet businesses to have access to international markets thereby increasing their market share. Companies can also achieve greater economies of scale.

This research subject is of extreme importance and appropriate since the application of social media by businesses is maturing leading to the shifting of electronic commerce to social commerce. Large firm’s multinational firms such as IBM and HP, Safaricom and Airtel have actively used social media to their advantage especially in customer care. In contrast, Kaplan & Haenlein, (2010b p.65) posit that “social media is not only relevant for large multinationals but also for small and medium sized companies”. Small businesses and entrepreneurs are recognized by any economy in the world as the corner stone of innovation, flexibility, productivity, and efficiency generating employment and wealth for the nation. Like many other developing countries in the world, Kenya faces a serious issue of unemployment, currently the unemployment rate stands at 25%(Trading economic,2016). Considering this obstacle, there is an urgent need for Kenya to increase the job openings in the market, and one way to do that is by encouraging citizens to become job creators instead of job seekers. To support this goal, the Kenyan government aims to increase the number of entrepreneurs. It has developed several policies, such as providing loans for new entrepreneurs to open or expand their business, providing trainings that can enhance the entrepreneurs’ business skills, organizing exhibitions that showcase products of these entrepreneurs, and so on (GOK,2016). One of the main target audiences for these government’s programs are women. Women are seen to be potential target audiences since they have strong characteristics to boost the country’s economy. Recent government reports also report the growing number of women as owners of small and medium enterprises (SMEs) (GOK, 2015). However, despite having great potentials to become entrepreneurs, women also face many obstacles when they want to start their own business such as family work conflict, lack of economic and social capital etc.

Thankfully, the arrival of social media has bought with it windows of opportunities for women. The internet and social media technologies are giving rise to new breed of women entrepreneurs and also augmenting existing businesses to develop, interact and service their customers as never imagined before (Fischer & Reuber,2010; Mandall,2011). The importance of research linking social media with entrepreneurs especially with the maturing of the social media cannot be denied and timing of the same undermined. This study looked at the tools, benefits, and challenges of using social media, and a social media strategy that can be implemented by online women entrepreneurs running small businesses on Kilimani Mums Marketplace on Facebook. The use of social media by small businesses is an important but under-researched area. The development and availability of Web 2.0 tools the capacity of small businesses to grow significantly has become a very real possibility. Despite the various benefits that social media offers especially to small businesses, many women entrepreneurs are reluctant to get involved because they lack information. They’re unsure about how to get started; concerned about what to post; and suspicious they won’t get a return on their investment. Business owners who didn’t grow up immersed in the use of the Internet are often especially cautious (BDC, 2014). But even many entrepreneurs who use social media regularly in their personal lives don’t know how to use it to move their company forward. It is important for entrepreneurs and marketer to grasp how the Internet functions and the expectations of its users. When properly harnessed, social media can help propel a business to a new level of success.

Within the confines of the research topic, this study set out to:

1. Explore the benefits of using social media for women online entrepreneurs on Kilimani Mums Marketplace on Facebook.
2. Find out the challenges of using social media faced by women online entrepreneurs on Kilimani Mums Marketplace on Facebook.
3. Examine the social media strategy that can be implemented by women online entrepreneurs on Kilimani Mums Marketplace on Facebook.
2.0 Methodology

The research was qualitative in nature. According to Jack, (2010 p.128) “many substantive issues in entrepreneurship are rarely addressed through quantitative methods and that many of the important questions in entrepreneurship can only be asked through qualitative methods and approaches”. Facebook business pages were the main tool and the main research approach was a case study research of Kilimani Mums Marketplace on Facebook. The focus was on small and micro businesses and level of analysis the individual entrepreneur or business owner. Data collection was primarily by conducting open ended telephone and email interviews. My rationale behind such an approach is guided by Cooke and Wills (1999) who argued that a greater understanding of social media and social networks might be generated by looking at smaller businesses (Gordon & Jack, 2010).

3.0 Discussion of Key findings

A considerable number of women entrepreneurs in Kenya have embraced Facebook commerce. Facebook provides businesses with an established active netizen who are indulging in the various rich features using its simple, practical, efficient, fast template and interface. Businesses can for no charge freely set up a business page, upload photos, information, and variety of basic and useful details in matter of minutes. Businesses can then invite various existing users mostly from its network of employees, their friends and other stakeholders such as suppliers, customers, government officials, accountants and so on. An important aspect to note here is that though a business page is created the members who like the page are individuals - the focus is on individuals who may be a part of your close or extended existing network.

Very recently, Facebook has provided the option for business to like other businesses and comment and communicate as a business with businesses. This indicates the movement, trend, and strategic attitude of Facebook to increase its member business interaction. It would be appropriate to describe Facebook commerce as a subset of social commerce which tries to make the shopping experience more social and besides shopping it provides a rich interface for interacting and engaging the various networks of businesses (Facebook, 2016). In Kenya various business pages have been opened up on Facebook, that allow members to post their items for sale, or the items they are interested to purchase thus uniting both sellers and buyers on the same platform. They include soko kuu,N-Soko,Kisii Mums,Killmall, Kisumu mums,new kilimani mums Nairobi,soko Nyeusi etc. This study specifically looked at Kilimani Mums Marketplace which is a marketing group that mainly deals with clothing, household items, and food products.

3.1 Benefits of using social media for online women entrepreneurs

On the objective of exploring the benefits of using social media for online women entrepreneurs on Kilimani Mums Marketplace on Facebook, the first beneficial factor is related to the mobility and flexibility promoted by social media. As technology advances with the arrival of tablet computer and smart phone, social media business can now practically be done from anywhere and at any time, including from their home. This results in a flexibility that allows women to take care of the family and children while managing their business at the same time. It also allows young women entrepreneurs still in school to juggle both school and self-employment. This is in line with the responses from the respondents who indicated that Facebook has given them the flexibility to manage easily between taking care of their families or undertaking their studies and their online businesses. Further, these technologies also reduce the cost necessary to open up a business as social media business does not require capitals normally needed in a traditional business, such as a physical store. Instead, the respondents reported that they just keep their product supplies at home, take pictures of the products, and promote them through their social media accounts, which can be accessed through their tablets or smart phones. In addition, it was reported that these technologies are also easy-to-use. This coincides with the literature review (Simon,2012; van der Merwe & Lebakeng, 2008; Nguyen, 2005) that social media allow simple ways to upload photos, write updates, contact people, and so on.

The second benefit is responding to the lack of social capitals usually experienced by women entrepreneurs running small businesses. As these women does this business through social media, this Internet feature allows them to reach a larger target audience who are not located only in small area surrounding their locale. Many of the research respondents reported that with social media, they can get customers from other areas in Kenya and also globally. Additionally, all of the respondents indicated that they do deliveries of their products all over the country using courier services such as Easy coach, Aramex, Transline, G4S among others.
Moreover, these people that they meet in social media do not only function as their customers, but they also serve as potential mentors, business partners, friends, and social supports. This is in agreement with one of the respondent who reported that; Facebook has been my number one resource for building my community and building my business. Facebook enabled me to reach out to people that I otherwise wouldn't or couldn't. You can find people who are relevant to your business readily and steadily and as the usage numbers peak on Facebook so does that ability to really connect with people in a relevant manner. What Facebook allowed us to do was cultivate a following of people for various things. A lot of these people I have engaged in an online fashion have become part of our offline social functions and I formed real relationships with many. (FR – 06)

Another respondent indicated that, ‘Using social media is beneficial to me in so many ways, the key benefit being that I can reach a large number of potential customers just by the click of a mouse and if we weren’t using Facebook, we would know less about our customers and their interests’. Kenya is also known as a social media nation where there are approximately 29.6 million active internet users. (Communications Authority, 2016) and according to Facebook (2016), more than 63 percent of Facebook users in Kenya visit pages connected to small or medium sized businesses. Consequently, it is a large target market for social media business. Social media has removed geographical barriers and given the women entrepreneurs and opportunity to venture into new markets. This is in line with McGowan, et al., (2001) observations that the internet, and specifically social media, has broken down geographical barriers in terms of the way of doing business and communication.

The respondents also indicated the following as benefits of using social media; “Social media enables direct contact between my customers and I. This ensures that I get first hand feedback, and in case of complaints, I’m able to address them and win back my customers almost immediately”.

For those trading on Kilimani Mums Marketplace platform, it was easy to gauge customer ratings on their products and services through customer feedbacks. Through social media, my customers can post positive feedback about my products on my business page, personal page or other social media pages. Such posts are seen by thousands of potential customers hence prompts them to buy and try out my products too. It’s like positive word of mouth, except it’s online. FR – 02. Majority of the respondents noted that the customers are able to market products indirectly as they recommend products to their friends. They also review and encourage usage of good products. The respondents also noted that social media have made communication cheaper and convenient both for the business and for customers. On the question of which social media channel do you actively use for your business and why? From the research it emerged that apart from Facebook, the majority of the respondent were not active on other social media platforms while a few indicated that they also use twitter, Instagram and pin interest among others. The respondents indicated they preferred these social media networks because of the ability to reach wide range of people, user friendliness and cheaper compared to traditional modes of marketing and advertising. Additionally, the respondent said that their customers are also users of the social media networking sites. Facebook was the most preferred social media tool due to various reasons. For instance, one of the respondents indicated that:

I actively use Facebook because I find it less complicated compared to other channels. In addition, Facebook has several marketing groups which bring together buyers and sellers of various products. With time, I’ll ensure that my business has an account in every social media platform so as to reach a larger number of potential customers”. (FR – 05)

Scholarly reflections also support these insights of businesses reaping benefits from social media. According to the 2012 social media marketing report, 83% of marketers consider social media as important for businesses (Stelzner, 2012). The same report indicates that the benefits of social media marketing are increased exposure; generate leads, improved sales, developed loyal fans and establishment of business partnerships. Customer intelligence gathered from social media is important in driving the innovation in a business. The use of social technologies provides insights, thoughts, and ideas on how to better serve customers and enables businesses to discover innovative ways to conduct business or new products and services to offer customers (Evans and McKee, 2010). Products and services innovation translates into ideas becoming a reality. This eventually leads to the financial growth of businesses. The growth of social media network platforms on the World Wide Web has brought a remarkable impact on the facilitation of global social interconnections. Social media offers unparalleled constant connectivity for users, allowing them to share, collaborate, and establish online communities. Both businesses and consumers are using the media to share information, exchange opinions, and recommendations and display certain consumption behavior (Kotler and Armstrong, 2011).
As such, social media gives marketers the power to promote their products and services by transforming the communication networks into influence networks. This is illustrated in figure 1 below. Women often take advantage of these social media more than just to find friends. They can now use these media as a medium to support their financial independence. It is a growing trend to open business through social media. They can use technologies, such as smart phones, while taking care of their children. They also do not need to have stores which can be costly since they only need to showcase their products in the virtual stores. The applications in computer are also easy since they can tag pictures and provide information to potential customers by a single click. The growing interest of women in developing online business may also be supported by the nature of women who like to make contact with others and the tendency of today’s customers who prefer to shop online since they do not have much time to shop.

This kind of entrepreneurship is seen to be an ideal option for women for several reasons such as society’s perception; flexibility offered by this kind of business, the relatively low cost needed to open the business, and so on. However, one specific factor that attracted the attentions of some scholars studying women online entrepreneurship is the need of flexibility to balance family, work and studies (see, for example, Segal et al. 2005:3; Lombard 2001:216). This factor is most prominent in developing countries (van der Merwe & Lebakeng, 2008; Nguyen, 2005). In Vietnam, Nguyen (2005) found that most women were not hesitate leave the corporate works to become entrepreneurs to be able to manage their traditional roles as wife and children primary caregiver. This factor is also shared by Kenyan women.

3.2 Challenges faced when using social media for entrepreneurship

On the objective of finding out the challenges faced when using social media, most of the respondents indicated that lack of a social media team to help handle the huge numbers of customer inquiries, messages or comments leads to delayed customer feedback consequently resulting to customer dissatisfaction. Poor Internet connection also hinders communication as social media can only be accessed when there’s good Internet connectivity. How to handle negative customer comments or complaints was also posted as a challenge as some comments are outright malicious and some are posted by their competitors to destroy their business reputation. Social media can spread false business information like wildfire. Use of product pictures stolen from other business owners, ensuring timely delivery of all business orders all over the country, conmen posing as genuine business owners or buyers were all reported as challenges of operating online. Worth noting is that lack of knowledge and capabilities, privacy concerns, and what to post is making businesses shy towards social media which is being primarily used for branding and marketing of products. Moreover, micro blogging seems to be preferred by businesses more than Facebook like applications. Kärkkäinen et al. (2010) examines survey performed by Coleman, (2009) and Gordon, (2009) and highlights the following challenges for businesses to adopt social media: Lack of knowledge of the possibilities of social media innovation, difficulties in calculating return on investment of time, problems in adopting new mental models and practices required for adoption, lack of proof of application by businesses and dealing with negative social media posts.

Even businesses already on social media often wonder if they’re maximizing their returns—or getting any returns at all from their efforts. Social media is a different animal than a website or traditional advertising. In those media, your message is mostly based on talking to people. Social media is all about engaging with people to build relationships. The idea is that, once engaged, people can be swayed toward your goals. Social media can be powerful, but not without the right content (BDC,2014). In Kenya there are no definitive laid out practices and policies that relate to the use of social media by organizations.

3.3 Social media strategies employed by women online entrepreneurs

The researcher wanted to find out if any of the women online entrepreneurs had a social media strategy. It emerged from the research findings that none of them had implemented any strategy before commencing their online operations or after. According to BDC (2014), a social media strategy is essential if their investment is to pay off. A common mistake that many businesses make is rushing to create a Facebook page or Twitter feed without proper planning. The result can be wasted resources and poor results. According to BDC(2014), key elements in a social media strategy include: Firstly, with the help of key employees, determine the main goals of your social media presence. Are they to attract more customers? Boost recognition of your brand? Improve customer service?
Based on your goals, decide how you’ll measure your social media success (e.g., number of visits, number of followers and comments, how much your content is being shared, number of new sales leads, etc.) and set targets. Secondly, determine your target audience and its receptivity to various social media platforms. Focus your initial social efforts on platforms your audience likely uses most, experimenting as you go. Thirdly, think about what kind of content will appeal to your target audience. Shoot for a balance of entertaining and educational material. Above all, avoid being overly self-promotional—a huge social media no-no. Fourthly, your content should encourage your fans and followers to engage with your company and ultimately become or remain your customers. To do so, it should present the human side of your business and provide followers with benefits such as information, advice, or entertainment. Periodically, you can go further and make direct calls to action—asking people to purchase a new product, take advantage of a special offer or sign up for your newsletter. Fifthly, create a Social media action plan that will include “Who will do what”. Tasks to assign in your company include monitoring social media traffic, creating content, and posting to your sites and other social media sites. Finally, the lifeblood of social media is regular updates. Without them, you won’t build the kind of engagement with your followers that you’re looking for. Work out a publishing schedule specifying how often each of the platforms will be updated and by whom (BDC, 2014).

4.0 Conclusion

Social media gives women entrepreneurs an opportunity to connect in a very personal and meaningful way with their customers. This allows you them to respond quickly to customer support issues, share and praise compliments about their business, and provide offers to people who are going out of their way to show their business support. The one point that differentiates social media from traditional media is user participation. Like traditional media social media serves as a vehicle to reach out to and inform consumers; however, it is only social media that allows consumers to participate and propagate their views, this can act both as an advantage and a challenge. Although most businesses have embraced social media, or are in process of doing so, the whole idea of reaching out to their consumers via online social networks is relatively new to the business, and in fact to the marketing world as a whole thus posing various challenges (Kasavana et al., 2010). It can be deduced from the study that even though entrepreneurs on kilimani Mums Marketplace have immensely benefitted from social media many of them have not fully utilized the potential of social media for their businesses. A majority of the small business owners on Kilimani Mums Marketplace have not embraced other social media tools apart from Facebook for their businesses. Successfully using social media takes time and patience. Entrepreneurs on Kilimani Mums Marketplace should consistently listen, measure and learn, then adjust their social media strategy on the basis of what’s working best for their business.

5.0 Recommendations

This study recommends that the policy makers who include the Kenya government ministries and agencies such as the Ministry of Trade, Ministry of Finance, Ministry of Information and Communication and Communications Commission of Kenya to come up with favorable internet surfing rates and e-business policies to encourage the technological adoption that would grow the SME industry. According to BDC (2014) to ensure that, their businesses fully utilize the potential of social media and Entrepreneurs on Kilimani Mums Marketplace should listen and learn by looking at other companies’ social media efforts, especially in their industry, to see what they have done. They should focus on businesses that have succeeded in attracting many followers. Review posts and comments to learn how businesses engage their community and what their fans are interested in. In addition, they should, search social media sites to see if people are already talking about their company and products. Entrepreneurs on Kilimani Mums Marketplace should engage their audience by offering interesting, relevant content that their followers will find compelling and want to share with their networks. This is because the power of social media is in word-of-mouth marketing and peer referrals. Ninety-two percent of consumers say they trust word-of-mouth recommendations from friends and family, compared with only 36% who trust sponsored ads on social networking sites, according to an international Nielsen survey in April 2012(BDC, 2014). Moreover, they should try not to simply display the same content on every site but should find a different voice for each platform. Additionally, they should post regularly, as social media pages quickly lose fan attention if they’re not updated regularly. Most importantly, they should find ways to be of service to their online community by posting links to useful articles and educational videos; they should not be afraid to try new things but should encourage audience contributions and participation.
Furthermore, the women online entrepreneurs should respond promptly (generally within 24 hours) to those who interact with them. Be sure to thank those who contribute, and respond to any customer issues. All this interaction will also help boost their following by making their feed livelier. They should build engagement by holding contests where they offer discounts or prizes. Contests will help attract more followers but should be designed to find and retain those who are genuinely interested in their business.

References


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**Figure 1:** Innovation and Social Engagement. Source: Evans and McKee, 2010