

The Importance of the Facebook Usage in the Development of Women's Entrepreneurship

Jovana Gardašević^a, Marko Carić^b, Sandra Brkanlić^c

^aFaculty of Economics and Engineering Management in Novi Sad, Novi Sad, Serbia, j.gardasevic@fimek.edu.rs, ^b Faculty of Economics and Engineering Management in Novi Sad, Novi Sad, Serbia, macaric@yahoo.com, ^cFaculty of Economics and Engineering Management in Novi Sad; Golden Education, Novi Sad, Serbia, sbrkanlic@gmail.com.

Abstract

The subject of the paper is to examine the importance of the use of the social network Facebook in women's entrepreneurship with the aim of encouraging the development or improvement of existing business of women entrepreneurs engaged in SMEs, through the use of this modern interactive and marketing tool. The paper is of a general and overview character and aims to inform all interested parties about the importance and manner of using the social network Facebook in the development of entrepreneurial business, by undertaking marketing and promotional activities and by the possibility of establishing cooperation, participation, collaborations and interactions with different partners in their everyday business environment. In the era of digital technologies, social media marketing has a wide development, offering entrepreneurs cooperation and connection with customers. Social media platform is a vital channel for reaching customers for businesses. Facebook is a kind of public space where all initiatives are welcome. Its technology relaxes all the entry barriers for all entrepreneurs, because starting a small business on Facebook does not require digital or legal expertise, entry costs or even a high level of digital literacy. Women's entrepreneurship refers to women or groups of women who discover new economic opportunities and activities, by actively running and managing a business. Using Facebook as a marketing tool to achieve goals, allows women entrepreneurs to gain greater visibility and popularization in the market, while also avoiding facing business inequality. Through the content analysis, the paper points out the attractiveness of the social network Facebook, as a modern digital communication space, which provides fast and viral dissemination of information for various purposes, and thus women entrepreneurs can find their

way to their customers or other partners, to promote and sell their products or services, with the ultimate goal of surviving and improving their business.

Keywords: *Social Networks, Facebook, Entrepreneurship, Women's Entrepreneurship, Growth and Development.*

Introduction

The paper contains four subsections. In the first subsection we deal with the definition of the social networks and point out the importance of using social networks in the context of economic potential. Social networks are a place of mutual interaction for all economic entities and are no longer used only for communication or marketing. The social networks have great business potential and have revolutionised the activities of many companies, regardless of their size or scale of activity (Lupa-Wojcik, 2020). The second subsection covers the key characteristics and dilemmas of the social network Facebook usage, in general. The social networks such as Facebook and Instagram are very powerful marketing tools for promotion and advertising (Perčić, Perić, Kutlača, 2019, pp.65-66). The third subsection is oriented towards the general usage of social networks in entrepreneurship, and it emphasizes the economic benefits in business for entrepreneurs, which are a consequence of the usage of the social networks. Entrepreneurs need to engage in the use of new internet technology to reach their target markets, boost productivity and gain a competitive advantage (Ogbari, Eberhibekhole, Olokundun, Ogunnaike, Atolagbe, 2018). The fourth subsection is the essence of the paper, which emphasizes the connection and importance of the social network Facebook usage in the women's entrepreneurship in order to show to women entrepreneurs how to manage their business, whether it is about surviving or improving it. With the development of technology, and the transition from classic marketing to digital marketing, women entrepreneurs see their chance for growth and development in the market (Gardašević, Lalović, Fimić, 2020, 109). In the emerging business environment and with the rapidly growing contemporary business trends, the concepts of entrepreneurship and entrepreneurs tend to adapt to the new circumstances of business practice (Gardašević, Brkanlić, Kostić, 2020). The aim of this paper is to present the most important theoretical framework that emphasize the correlation between the Facebook usage in developing the women's entrepreneurship, with the general aim of strengthening women's entrepreneurship (from surviving to improving) especially in this challenging time.

Theoretical Framework

2.1. The Social Networks and their Economic Potential

Social networks are gaining popularity around the world. As of January 2020, 3.8 billion people had active social media accounts, representing 49% of the world's population. Compared to the same period in the previous year, this number had increased by 321 million (9.2% increase) (Lupa-Wójcik, 2020). Social networks are a vital channel for reaching customers for businesses. Social networks are increasingly relevant in the e-commerce area, especially (but not only) for the B2C relationship (Chaffey, 2015; Cirlugea, Faragó, Hintea, 2020). It can be assumed that social networks are online platforms (websites or applications) whose functions are primarily to create, process, play, share, and receive visual and audio content (e.g. text, images, movies, games) (Heymann-Reder, 2011) by various entities (individual and/or institutional) and respond to them in various forms. In collaboration with customers, in finding out their opinions about the products and services, media can also be an issue if consumers gain too much power over the information and the marketing process (Arrigo, 2018). On social media, there are very complex interactions between various types of economic entities that have a real economic dimension. Figure 1. shows the interaction between various entities on social media.



Fig. 1. The interaction between various entities on social media.

Source: Lupa-Wójcik, 2020.

Networking has been recognized as a crucial entrepreneurial activity, for both male and female entrepreneurs, helping them to gather valuable information and advice, to identify opportunities and access critical resources for business creation, maintenance, development and entrepreneurial success (Aldrich et al, 1989; Åndersson, Evensson, 2001; Baines, Wheelock, 1998; Doyle, Young, 2001; Hall, Bennett, 2000; Hampton et al, 2009; Mankelow et al, 2002; Manolova et al, 2007; Veltz, 2002).

2.2. The Facebook

The phenomenon of the social network Facebook is reflected in an increasing number of academic articles. This topic arouses interest among scientists from various disciplines such as Law, Economics, Psychology, Sociology, Information Technology, and the volume of research is growing rapidly (Wilson, Gosling, Graham, 2012). They also play an important role in modern marketing activity and are an inevitable tool in modern marketing communication (Gardašević, Ćirić, Carić, 2018). Everyone is on the Facebook, from the youngest to the oldest, from the most technologically literate to those without great technological knowledge (Zarella, 2013, pp 77). The Facebook also finds its application for business purposes. Many marketing professionals have started to conduct advertising campaigns on social networks, not only because of the large audience (*so-called base of future clients*), but also because social networks allow very specific targeting of selected individuals who fall under previously defined characteristics (Girona, Korgaonkar, 2014, pp. 572). In addition to advertising on Facebook, business pages and advertisements on the social network Facebook also serve as a means for marketers to increase brand awareness (Delgado-Ballester, Navarro, Sicilia, 2012). Business pages on the Facebook are also an extremely convenient platform for consumers to spread information from word of mouth (*Word of mouth*) and thus provide, among other things, companies with key information about the values of consumers themselves (Dobele, Lindgreen, 2011). Figure 2. shows an example of one Business Page.



Fig. 2. Example of one Business Page.

Source: Official Facebook Business Page of Pew Research Center, 2021.

Business pages contain all the essential details that are important to users. On the Home page, there is a retrospective of news, current information that is placed in real time.

2.3. The General Role of the Social Networks in an Entrepreneurship

Entrepreneurship is recognized as a multi-dimensional concept that revolves around risk and uncertainty, innovation, or value creation, and that generally involves the common idea of

individuals exploiting market opportunity through innovation (Van Stel et al., 2005; Venkataraman, 1997). At the crossroads of digital technologies and entrepreneurship, digital entrepreneurship calls for a totally new approach of entrepreneurship theories (Zaheer et al., 2019). As an illustration, digital infrastructure i.e. “digital technology tools and systems (e.g. cloud computing, data analytics, online communities, social media, 3D printing, digital makerspaces, etc.) that offer communication, collaboration, and/or computing capabilities” (Nambisan, 2017, p.4) enables the entrepreneurial process, leading to the democratization of entrepreneurship in the past decade (Aldrich, 2014). From a company’s point of view, social media have become a relatively inexpensive and effective marketing channel, and their low promotion costs represent a real economic benefit. Economic benefits for business can also result from the use of social media to improve communication within a company, the organisation of work, file and document exchange, online meetings, remote work support, etc (Lupa-Wójcik, 2020).

2.4. Facebook Usage and the Women’s Entrepreneurship

Women's entrepreneurship refers to women or groups of women who discover new economic opportunities and activities, by actively running and managing a business (Dangi, 2014). Women entrepreneurs are defined as women who are involved in independent business decision-making related to running a business (Sutcliffe-Braithwaite, Lawrence, 2019), and they would achieve this by developing, identifying and nurturing the vision and turning it into innovative ideas, thus creating chances for better development and performance of the business itself (Iwu, Nsengimana, Robertson, 2019). Several authors made an important statement that women's entrepreneurship focuses and is based on the power to control their business by creating innovative ideas and products required by the market, monitoring and absorbing as much information as needed and also improving relationships with other employers, producers and consumers (Setini, Yasa, Supartha, Giantari, Rajiani, 2020). Women’s groups are created online to offer networking support through providing them, and especially entrepreneurs and executives, with information and lists of contacts (Constantinidis, 2011). In an research conducted by the author Constantinidis (2011) she reveals that in terms of objectives, when using Facebook, women consider it important to share advice and experiences with other self-employed women, to make women’s entrepreneurship known and to meet other women entrepreneurs. Her analyses reveal significant differences between women in male, female and mixed sectors in terms of new clients gained through Facebook. Significantly larger numbers of women in female sectors of activity have gained clients via Facebook, compared with women in male or mixed sectors.

Hence virtual networking seems to open up new opportunities and ways of doing business for women entrepreneurs, who can use it to target markets, publicize their products and services, and establish, maintain and develop relations with new or existing customers (Constantinidis, 2011, p. 267).

Methodology

Our intention in this paper was to present the crucial and the latest overview of the literature based on the content analyses which is in a connection to the actual problem. Through methods of analysis, synthesis, induction, deduction, content analysis, positivism, we have presented the most modern attitudes of authors regarding to the use of the social networks, the Facebook, their economic potential and their importance in the entrepreneurship, especially women's entrepreneurship, in order to give an overview which will empower women to use Facebook for survival or improving their businesses.

Results

According to the authors Aral, Dellarocas, Godes (2013) mentioned in the paper of author Lupa-Wójcik (2020), some of the crucial economic aspects associated with the use of the social media in business activities are:

1. Concentration of a large number of users;
2. Discussion by users regarding company products and their activities, which require social media monitoring;
3. Possibility of user segmentation due to various criteria;
4. Possibility of using various forms of marketing;
5. Development of tools supporting business on social media. These factors have revolutionised the activities of many economic entities in the world, regardless of their size or scale of activity.

Entrepreneurs see their chance to gain competitiveness by promoting their companies on social networks, so we can see every day on Facebook or Instagram how they try to attract their consumers and increase the visibility of their products, and ultimately result in final sales (Gardašević, Lalović, Fimić, 2020). In order to be functional and successful for marketing strategies, it is necessary to know how to use their key factors to create a successful marketing campaign. The key factors are the need to understand the various social networks and the how they work, to know the motives for the use of social networks by users, and to understand their preferences (Gardašević, Ćirić, Carić, 2018, p. 311).

Networking has been recognized as a crucial entrepreneurial activity, for both male and female entrepreneurs, helping them to gather valuable information and advice, to identify

opportunities and access critical resources for business creation, maintenance, development and entrepreneurial success (Constantinidis, 2011).

Women have mainly used the Facebook and other new communication technologies to create and develop virtual communities, within which they can now share experiences, concerns, beliefs and common interests. Growing numbers of women venture capitalists, business owners and consumers use the Facebook to interact with and support each other, becoming key players in the online landscape (Herring, 2001).

Conclusion

By applying adequate and relevant literature in this paper, we have tried to emphasize the importance of developing women's entrepreneurship, the potential it brings and the ways in which it can be achieved. With the development and advancement of technology, the transition from classic marketing to digital and internet marketing, women entrepreneurs see their chance for growth and development in the market itself. By analyzing the importance of using the social network Facebook in the domain of the development of women's entrepreneurship, we have shown how important Facebook really is in modern business. The innovativeness of modern marketing business and the use of Facebook as a modern marketing tool to achieve goals, allows women entrepreneurs to gain greater visibility and popularization on the market, also helping them to avoid business inequality. Finally, it is important to emphasize the chance that Facebook gives women entrepreneurs to communicate together, create communities and organizations, which will significantly strengthen them, advance them and increase their chances for success. By communicating, connecting and creating networks of new partners, they both gain in importance and visibility, both in the narrower and in the wider environment. We can conclude that the social network Facebook, as a tool for application in business, is really one of the fundamental internet platforms for advertising, increasing the visibility of business and making a profit, as well as a great chance that women entrepreneurs can use for their success and progress.

References

- Aldrich, H. (2014). The democratization of entrepreneurship? Hackers, makerspaces, and crowdfunding. Annual Meeting of the Academy of Management (Vol.10). Philadelphia.
- Aldrich, H., Reese, P. R., & Dubini, P. (1989). Women on the verge of a breakthrough: Networking among entrepreneurs in the United States and Italy. *Entrepreneurship & Regional Development*, 1(4), 339-356.

- Andersson, Å., & Evensson, C. (2001). The personal networks of women entrepreneurs in the IT trade. Doctoral Thesis. Karlstad : Karlstad University.
- Aral, S., Dellarocas, C., & Godes, D. (2013). Introduction to the special issue – social media and business transformation: a framework for research. *Information Systems Research*, 24(1), 3–13.
- Arrigo, E. (2018). Social media marketing in luxury brands, *Management Research Review*, 41(6), 657-679.
- Baines, S., & Wheelock, J. (1998). Working for each other: gender, the household and micro-business survival and growth, *International Small Business Journal*, 17 (1), 16–36.
- Chaffey, D. (2015). Digital business and E-Commerce anagement, Marketing Insights Limited, UK.
- Cirlugea, M., Faragó, P., & Hintea, S. (2020). Statistical Study of Small Business Customers using Facebook Ads and Google Analytics. In 2020 43rd International Conference on Telecommunications and Signal Processing (TSP) (pp. 212-215). IEEE.
- Constantinidis, C. (2011). How do women entrepreneurs use the virtual network Facebook? The impact of gender. *The International Journal of Entrepreneurship and Innovation*, 12(4), 257-269.
- Dangi, N. (2014). Women entrepreneurship and growth and performance of MSMEs in India. *International Journal*, 2(4), 174-182.
- Delgado-Ballester, E., Navarro, A. & Sicilia, M. (2012). Revitalizing brands through communication messages: The role of brand familiarity. *European Journal of Marketing*, 46 (1), 31–51.
- Dobele, A. & Lindgreen, A. (2011). Exploring the nature of value in the word-of-mouth referral equation for health care. *Journal of Marketing Management*, 27(3–4), 269–290.
- Doyle, W., & Young, J. D. (2001). Entrepreneurial networks in the micro-business sector: examining differences across gender and business stage, *Journal of Small Business and Entrepreneurship*, 16 (1), 40–55.
- Gardašević, J., Brkanlić, S., & Kostić, J. (2020). Entrepreneurship, national culture and the Republic of Serbia. *Ekonomija: teorija i praksa*, 13(1), 85-96.
- Gardašević, J., Ćirić, M., & Carić, M. (2018). Understanding the motives for using social networks in the function of improving communication with consumers. *Marketing*, 49(4), 311-320.
- Gardašević, J., Lalović, P., & Fimić, N. (2020). The importance of using the social network Instagram in the development of women's entrepreneurship. *Ekonomija: teorija i praksa*, 13(4), 99-113.
- Gironda, J. & Korgaonkar, P. (2014). Understanding consumers' social networking site usage. *Journal of Marketing Management*, 30 (5-6), 571–605.

- Hall, D., & Bennett, D. (2000). *The Hallmarks for Successful Business*, Management Books, Brighton.
- Hampton, A., Cooper, S., & McGowan, P. (2009). Female entrepreneurial networks and networking activity in technology-based ventures. *International Small Business Journal*, 27, (2), 193–214.
- Heymann-Reder, D. (2011). *Social Media Marketing: Erfolgreiche Strategien für Sie und Ihr Unternehmen*. München: Addison-Wesley Verlag.
- Iwu, C. G., Nsengimana, S., & Robertson, T. K. (2019). The Factors Contributing to the Low Numbers of Women Entrepreneurs in Kigali. *Acta Universitatis Danubius. OEconomica*, 15(6).
- Lupa-Wójcik, I. (2020). The Role of Social Media in Entrepreneurship: a Conceptual Case Study. *Przedsiębiorczość-Edukacja*, 16(2), 176-188.
- Mankelov, G., Mundie, F., & Thompson, M. J. (2002). The role of network by Australian small business owners, 47th International Council for Small Business Conference, 16–19 June, San Juan, Puerto Rico.
- Manolova, T. S., Carter, N. M., Manev, I. M., & Gyoshev, B. S. (2007). The differential effect of men and women entrepreneurs' human capital and networking on growth expectancies in Bulgaria. *Entrepreneurship Theory and Practice*, 31(3), 407–426.
- Nambisan, S. (2017). Digital entrepreneurship: Toward a digital technology perspective of entrepreneurship. *Entrepreneurship Theory and Practice*, 41(6), 1029-1055.
- Official Facebook Business Page of Pew Research Center, Retrieved May 11, 2021, from: <https://www.facebook.com/pewresearch>
- Ogbari, M. E., Esho, E., Olokundun, M. A., Ogunnaike, O. O., & Atolagbe, T. M. (2018). Technology Entrepreneurship: Pathway to Industry-University Engagement. *Covenant Journal of Entrepreneurship*, 1(3), 59-71.
- Perčić, K., Perić, N., & Kutlača, Đ. (2019). The adoption of internet media as marketing innovations in Serbia. *Management*, 24(2), 63-72.
- Setini, M., Yasa, N. N. K., Gede Supartha, I. W., Ketut Giantari, I., & Rajjani, I. (2020). The Passway of Women Entrepreneurship: Starting from Social Capital with Open Innovation, through to Knowledge Sharing and Innovative Performance. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(2), 25.
- Sutcliffe-Braithwaite, F., & Lawrence, J. (2019). Power and Its Loss in *The Iron Lady*. In *Biography and History in Film* (pp. 295-317). Palgrave Macmillan, Cham.
- Van Stel, A., Carree, M., & Thurik, R. (2005). The effect of entrepreneurial activity on national economic growth. *Small business economics*, 24(3), 311-321.

- Veltz, P. (2002). *Des lieux et des liens: Le territoire français à l'heure de la mondialisation*, Éditions de l'Aube, La Tour d'Aigues, France.
- Venkataraman, S. (1997). The distinctive domain of entrepreneurship research. *Advances in entrepreneurship, firm emergence and growth*, 3 (1), 119-138.
- Wilson, R. E., Gosling, S. D., & Graham, L. T. (2012). A review of Facebook research in the social sciences. *Perspectives on Psychological Science*, 7, 203–220.
- Zaheer, H., Breyer, Y., Dumay, J., & Enjeti, M. (2019). Straight from the horse's mouth: Founders' perspectives on achieving 'traction' in digital start-ups. *Computers in Human Behavior*, 95, 262-274.
- Zarrella, D. (2013). *The Science of Marketing: When to Tweet, What to Post, How to Blog, and Other Proven Strategies*, New Jersey, Hoboken: John Wiley and Sons, Inc.