



The embedment of social media in small business supply network management

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Introduction. In recent years, research trends have focused on analyzing supply chain management from the perspective of social networks in small- and medium-size enterprises (SMEs) (Borgatti & Li, 2009). In supply chain management, social networks are helpful to build relationships among members and to identify risks in supply chain activities (Cruz & Liu, 2011). Since social media may have its greatest and most natural application on the soft side (i.e., people) of supply chain management, the surge of social media could spur communication and information-sharing among supply-chain participants and, therefore, contribute to firms' supply chain relationship development (O'Leary, 2011). Small business owners prefer to engage in networking activities for access to unique markets and customer information rather than to implement supply chain management, due to resource limitations (Frazier & Niehm, 2004). Analyzing supply-related activities from a perspective of social networks may teach small business owners how to build closer and tighter relationships with their suppliers and customers to improve supply chain performance and to identify supply chain risks.

Purpose of Study. The purpose of this study was to provide a theory-based framework that informs small retailers' embedment of social media in supply-related activities. This paper addressed the previous literature gap and identified the impact of social media on information-sharing, supply network relationships (trust and commitment), and supply chain risks identification in small business supply network management.

Methods. In the present study, resource-based view (RBV) theory and social exchange theory were utilized to provide theoretical support for supply network framework development in the small retail firm context. A conceptual framework was then developed to help small retail firms understand the impact of social media on their supply network management. Finally, a case study of a small retailer's embedment of social media in its supply network management was presented to demonstrate the application of the developed propositions.

Results. The conceptual framework included three factors: (1) information-sharing, (2) supply network relationship (trust and commitment), and (3) supply chain risk. First, social media provides an online environment for communication and information-sharing (Kaplan & Haenlein, 2010), which enables small business owners to gain competitive advantages through better pricing, inventory control, delivery, and access to new products (Frazier & Niehm, 2004), since information flows depend on the soft side (i.e., people) of supply network in small businesses (Borgatti & Li, 2009). Second, commitment and trust are central in most theories of social network effectiveness, as well as supply networks to build and develop buyer-supplier



relationships (Galaskiewicz, 2011). Communication and information-sharing opportunities provided by social media result in higher levels of trust and commitment among supply network partners, which contribute to the stability supply network relationships—the foundation for information or materials flow management cross the supply networks (Croom, Romano, & Giannakis, 2000). In addition, stable supply network relationships and the multidirectional communications can accelerate the flow of information to enable supply network participants to identify supply network risks in a shorter time from the perspective of others in the supply networks (O’Leary, 2011). The case study showed a small business owner has a strong desire to embed social media in supply network management by realizing the potential benefits. The small retailer agreed social media encouraged communication and information-sharing among supply participants. Social media also affected the level of trust among supply participants to develop supply network relationships, but it was not easy to reach a level of commitment. In addition, social media helped business owners understand customers’ demands, and identify supply risks and opportunities.

Conclusions and Implications. This study filled a void in the area of applying social media in small businesses’ supply network management and contributed to develop a conceptual framework to examine the relationships among social media, information sharing, supply network relationships, and supply risks. This framework and propositions require further empirical investigations. Small retailers might use this framework and propositions to evaluate the impact of social media on their supply networks management.

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