

Investigating the Antecedents and Outcomes of B2B Firms' Social CRM Capabilities in Emergent Markets

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Abstract

Despite the increased attention from both researchers and practitioners, social CRM is still a new phenomenon which remains underexplored. This study builds on three theoretical perspectives; dynamic capabilities, RBV and the institutional theory to further investigate the understanding of the antecedents of social CRM capability. A theoretical model is developed based on the literature review. Data will be collected from 400 B2B firms top-management members in Turkey. Structural equation model (SEM) approach will be used to analyse the data. This study contributes to theory with the investigation of both internal and external antecedents of social CRM capabilities. Findings will be presented by September.

Keywords: *Social CRM capabilities, resource-based view, institutional theory*

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Introduction

Social CRM is a social media marketing strategy that has the highest degree of strategic maturity compared to social commerce strategy, social content strategy, and social monitoring strategy (Li et al. 2021). It has been defined as “a philosophy and a business strategy, supported by a system and a technology, designed to engage the customer in a collaborative interaction that provides mutually beneficial value in a trusted and transparent business environment” (Greenberg 2010, p.414). This definition is based on the fundamentals of traditional CRM however further expands the notion by including social elements of organisational behaviour and characteristics, and the communication between firms and customers enabled by the developed technologies (Guha et al. 2018).

Social CRM combines the advantages provided by social media aspects such as customer engagement and the CRM aspects such as customer retention (Malthouse et al. 2013). Thus, Li et al. (2021, p. 60) consider social CRM strategy as “a form of collaborative interaction, including firm-customer, inter-organisational, and inter-customer interactions, that are intended to engage and empower customers, so as to build mutually beneficial relationships with the firm and lead to superior performance.” By tracking social interactions with customers, social CRM allows firms to anticipate customers’ needs, respond and act quicker which leads to increased customer satisfaction. Firms are recognising the potential of social CRM and have been making considerable investments in social CRM technology (Trainor et al. 2014). According to the market research published by Global Industry Analysts, Inc. (2019), overall global social CRM market is expected to grow by \$204.3 billion, with a compound annual growth rate of 52.8%.

However, despite the increasing interest in social media and social CRM, the efficacy of social CRM remains largely unknown and as a result firms are implementing social media technologies without a clear picture of how these technologies can be used to develop performance enhancing capabilities (Trainor et al. 2014). Firms should recognise that social CRM is not a replacement of traditional CRM, but it is an extension that includes new capabilities associated with both firm-customer and customer-customer interactions (Kim and Wang 2019; Greenberg 2010). Additionally, Li et al. (2021) stressed the need to further investigate social CRM strategies such as their use in firms with different level of social media knowledge, the resources and capabilities needed to implement a social CRM strategy, and their outcomes. Thus, this study further investigates the both internal and external antecedents and outcomes of social CRM capabilities through the lenses of three theories: resource-based view (RBV), dynamic capabilities, and institutional theory.

Theoretical Background

Previous literature demonstrated that CRM technologies alone do not provide direct value to firms, and these technologies are most effective when they are combined with firms' other resources such as human resources, organisational resources and financial resources (Harrigan et al. 2020; Wang and Kim 2017; Trainor et al. 2014). With the development of technological resources in firms, 'social CRM capabilities' have become a unique combination of emerging technological resources and customer-centric management systems that lead to customer satisfaction, customer loyalty, and customer retention (Trainor et al. 2014). Despite the increased attention in both academia and the industry, social CRM is still a new phenomenon which has remained underexplored (Yasiukovich and Haddara 2021) in which by extent there is a paucity of knowledge on social CRM capabilities (Kim and Wang 2019).

Existing literature on social CRM capabilities is mainly built on the resource-based view (RBV) and dynamic capabilities theories (Harrigan et al. 2020; Bhatti et al. 2019; Wang and Kim 2017; Choudhury and Harrigan; 2014; Trainor et al. 2014). These studies identified several antecedents and outcomes of social CRM capabilities. Some of these antecedents include social media technology use and customer-centric management system, and some of the outcomes have been identified as customer relationship performance and firm performance (Wang and Kim 2017; Trainor et al. 2014). Previous studies also revealed that investments in IT can be integrated to form new capabilities that eventually enhance firm performance (Harrigan et al. 2020; Kim and Wang 2019; Wang and Kim 2017; Trainor et al. 2014; Malthouse et al. 2013). However, majority of the existing literature on social CRM capabilities focused on the internal antecedents such as resources and capabilities and the external antecedents have been ignored (Foltean et al. 2019). External antecedents are the environmental characteristics of firms such as owners, competitors and customers, and this can be explained by the institutional theory perspective (Al-Omouh et al. 2021). Since social CRM is heavily dependent on firms' knowledge of social media, it is also important to understand the link between the internal and external factors influencing B2B firms use of social media (Pascucci et al. 2018). In this vein, current literature claims that institutional factors play an important role in driving new technology adoption by business firms (Foltean et al. 2019). However, there is a lack of knowledge about the antecedents and outcomes of social CRM capabilities from an institutional theory perspective (Al-Omouh et al. 2021; Foltean et al. 2019). In addition, Trainor et al. (2014) added that there is a lack of studies addressing social CRM capabilities in the B2B firms. Moreover, majority of social CRM research had been done in developed markets (Harrigan et al. 2020; Kim and Wang 2019; Wang and Kim 2017; Trainor et al. 2014; Choudhury and Harrigan 2014; Rapp et al. 2010) and there is a lack of research in emerging markets. It had been identified that it is critical to explore social CRM capabilities in different countries, regions, and industries to gain in depth knowledge (Pour and Hosseinzadeh 2020). Previous literature demonstrated that developing social CRM capabilities are extremely important for firms to increase their customer relationship performance and eventually lead to firm performance, there is still a paucity of knowledge on social CRM capabilities, its antecedents and outcomes and how to measure social CRM capabilities (Kim and Wang 2019). Whilst the RBV and dynamic capabilities theories focus on the internal antecedents and can explain the success of social CRM that

depends on the firm's ability to identify and leverage resources and combine them with their capabilities, institutional theory perspective focuses on the external antecedents such as competitors and business partners, which remain underexplored in social CRM capabilities research (Foltean et al. 2019). Thus, this study seeks to investigate the antecedents and outcomes of social CRM capabilities through the RBV, dynamic capabilities and institutional theory perspectives and contribute to both theory and practice.

This study conceptualises antecedents of social CRM capabilities into two different categories which are internal and external antecedents. It is important to investigate internal and external antecedents together to gain an in-depth knowledge (Chafer et al. 2021). In this study, these antecedents build on the RBV, dynamic capabilities and institutional theory perspectives. The most commonly used theories in social CRM capabilities research are the RBV and dynamic capabilities theories. This is because these theories can explain how firms combine their resources with the new capabilities and achieve firm performance. However, both of these theories do not consider external factors and pressures. Conversely, institutional theory focuses on environmental factors and institutional pressures, ignoring the technological and organisational contexts (Al-Omoush et al. 2021). Thus, this study builds on the RBV and dynamic capabilities to investigate the internal antecedents of social CRM capabilities, and institutional theory focuses on the external antecedents.

Methods

This study is ongoing research that investigates the antecedents and outcomes of social CRM capabilities and builds on three theories, which are dynamic capabilities, RBV, and institutional theory. Findings will be presented by September.

This research adopts a positivism philosophy, which according to Saunders et al. (2019), positivist researchers build on existing theories and develops hypotheses. Because of the nature of the research aim and questions, as well as developing hypotheses positivist philosophy is appropriate to test and validate the hypotheses (McGregor and Murnane 2010). A deductive approach is appropriate when there is a development of theoretical or conceptual framework, which will be tested using data (Saunders et al. 2015). Thus, as this study developed conceptual framework and hypotheses on social CRM capabilities, a deductive approach is adopted to test these hypotheses. This study will collect the data by adopting a quantitative method. Quantitative research designs are mostly associated with positivism, and there is an exclusive link between positivism, deduction, and quantitative research methods (Walsh et al. 2015a; Bryman 1998). Quantitative research methods are designed to examine relationships between variables, which are measured numerically and analysed using a range of statistical techniques (Saunders et al. 2019). To fulfil the primary data collection, researcher will collect the data through questionnaires which are common survey strategy (Saunders et al. 2019). This is because questionnaires tend to be used for explanatory research in order to examine and explain relationships between variables, especially cause-effect relationships (Saunders et al. 2019). As this study investigates the antecedents and outcomes of social CRM capabilities, using questionnaires for data collection method is significant to analyse the relationships between the constructs in the conceptual model. This study focuses on the B2B firms in an emerging market. The country chosen for this study is Turkey. This is because Turkey is an emerging market (IMF 2018) with a growing economy listed as 7.4% growth rate in 2017 (CIA 2019). Also, there is a lack of research on social CRM capabilities in Turkey. From the B2B perspectives, this study considers all industries such as logistics, wholesale textile, automotive, mining, and investment banking (KPMG 2019). The target population is the B2B firm's top management members such as the CEO or marketing manager. The reason for this decision is based on the prior research as it suggests that members of top management teams are familiar with the ideas within the firm and are the most appropriate sample to collect information on strategic initiatives and outcomes (Hambrick and Mason 1984). Thus, this non-probability purposive sampling method enables researcher to ensure that specific inclusion criteria are met which makes the sample more representative of the population (Saunders et al. 2019). A descriptive analysis is the first step of the data analysis (Dhand 2015). Structural Equation Model (SEM) will be used for the data analysis. SEM is a hypothesis-driven technique that is based on a structural model representing a hypothesis about the relations between variables (Stephan and Friston 2009), will be used to analyse the collected data through questionnaires. SEM mostly follows a two-stage process (Trainor et al. 2014). In the first stage, a measurement model will be specified and fit. In the second stage, the structural model will be fitted to the data (Anderson and Gerbing 1988).