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# **The benefits of social media marketing in creating brand awareness of born global companies**

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**ABSTRACT:**

Tämän tutkielman tavoitteena on selvittää, mitä hyötyä sosiaalisen median markkinoinnista on bränditietoisuuden luomisessa born global yrityksille. Työn viitekehyksenä toimii resurssipohjainen näkemys (RBV) jossa yrityksen resurssit jaetaan materiaalisiin (tangible) ja aineettomiin (intangible) resursseihin. Born global yrityksillä tarkoitetaan nuoria yrityksiä, jotka pyrkivät laajentamaan kansainvälisille markkinoille pian perustamisensa jälkeen lähellä perustamistaan ilman että ne ovat läsnä kotimaan markkinoilla. Sosiaalisen median alustoina pidetään sosiaalisen verkostoitumisen sivustoja, pikaviestintäpalveluita, mikro- ja makroblogialustoja. Sosiaalisessa mediassa yritykset pystyvät markkinoimaan laajasti itseään ja tuotteitaan.

Tämän kirjallisuuskatsauksen perusteella ilmenee, että sosiaalisen median markkinoinnin hyötyjä on aiemmin tutkittu hyvin vähän aiemmin tutkittu born global yritysten bränditietoisuuden luomisen näkökulmasta, joten tutkimus on relevantti.

Lisäksi kirjallisuuskatsaus osoittaa, että born global yritykset ovat resurssiköyhiä. Yleensä niiltä puuttuu materiaalisia resursseja, kuten pääomaa. Born global yritysten kannattaa käyttää aineettomia resursseja, kuten innovatiivisuutta, korvaamaan materiaaliresurssien puutteita, jolloin niiden on kannattaa käyttää aineettomia resursseja, kuten innovatiivisuutta, parantaakseen puuttuvien fyysisten resurssien osa-alueita. Tähän auttavat useat eri asiat, joista muutamaa käsitellään työssä.

Born global yritykset pystyvät luomaan bränditietoisuutta sosiaalisen median markkinoinnilla. Sosiaalisen median markkinoinnilla on paljon hyötyjä bränditietoisuuden luomisessa born global yrityksille. Esimerkiksi sosiaalisen median markkinoinnin avulla born global yritykset pystyvät tavoittamaan nykypäivänä suuren määrän mahdollisia uusia asiakkaita kustannustehokkaasti. Sosiaalisen median markkinoinnin lisäksi sosiaalisen median käyttäjillä on vaikutusta siihen, miten bränditietoisuutta voidaan luoda heidän keskuudessaan. Born global yritysten on osattava käyttää sosiaalisen median markkinoinnin hyötyjä, jotka voivat oikealla tavalla käytettynä tehostaa born global yritysten bränditietoisuuden luomista.

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**KEYWORDS:** marketing, social media marketing, born global companies, brand, brand awareness

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# 1 Introduction

## 1.1 Background of the study

The volume of global business has grown tremendously during this millennium (Knight & Cavusgil, 2024). The global business environment is typically complex, diverse, and often uncertain. The global business environment is constantly changing. Digitalization has influenced, and continues to influence, strongly to this change (Knight & Cavusgil, 2024). Digital technologies have influenced companies' foreign market expansion strategies. Thanks to digitalization, data from different regions is easier and cheaper to obtain (Katsikeas et al., 2020). This change has especially enabled the internationalization of small entrepreneurial companies (Knight & Cavusgil, 2024).

Digitalization also makes it easier and more efficient for companies to export. One of the reasons for this is easier communication with foreign buyers and foreign marketing. Marketing abroad has become easier, for example, by social media. In addition, marketing abroad is more cost-effective than before (Katsikeas et al., 2020). With digitalization, national borders do not restrict global trade as much as before (Knight & Cavusgil, 2024).

In the past companies have considered internationalization as a slow and laborious process. With digitalization, internationalization has become faster. Born global companies that are internationalizing superfast after their establishment are a good example of this. Digital communication networks, the development of communication technology, and the use of internal resources, as well as favorable personal characteristics have helped the rapid internationalization of born global companies (Hennart et al., 2021).

## 1.2 Research questions and objectives of the study

The aim of this thesis is to study the benefits of social media marketing in creating brand awareness of born global companies. It has previously been studied in the field of social media in small and medium-sized enterprises marketing. Previous studies have also been conducted on startups. Rialp et al. (2020) take a stand on the use of social media in the internationalization of small and medium-sized enterprises or companies in general and states that the relationship between the use of social media and the speed of internationalization of companies has still been poorly studied. Hardly any studies have been conducted on born global companies. Social media and brand awareness have not been studied in the context of born global companies which becomes evident when searching Goole Scholar in January 2025 with the terms: "born global companies" "social media marketing" and "brand awareness", the search gives 36 search results. Thus, this topic is current.

The main research question is: What are the benefits of social media marketing in creating brand awareness for born global companies?

As said, this thesis focuses on the benefits of social media marketing in creating brand awareness for born global companies. Therefore, the work aims to focus on newly established companies aiming for rapid internationalization. This bachelor's thesis is not focusing on long-established global companies such as, for example, Nike. The work is written from a born global companies' perspective. In this thesis, I have used a resource-based view (RBV) as a framework for the thesis. The work does not take a side on where the companies were founded, nor their geographical areas of operation. In other words, there is no geographical limitation for the work. The work does not take a stand on the customer's side either.

The aim is to utilize academic sources. The work has sought to utilize new, peer-reviewed scientific articles. There is one older source in the work, which is scientific and peer-

reviewed. One e-book has been used as one of the sources for the work. The main language of the sources has been English.

Sources have been searched mainly in Finna, the electronic service of the University of Vaasa library service Tritonia, and in Google's Scholar service using keywords relevant to the thesis.

### **1.3 Structure of the study**

The work consists of four chapters, the first of which is an introduction. The introduction introduces the background to the work and the research question. In addition, the introduction goes through the methods, structure, and scope of the work.

The introduction is followed by two chapters. The first chapter focuses on RBV, born global companies, social media, social media marketing, brand, and brand awareness. The second chapter examines in more detail how the issues in the previous chapter relate to each other.

At the end of the work, the conclusion chapter brings together the issues and topics discussed during the work. The conclusion section presents the answer to the research question presented at the beginning of the work. In addition, the conclusion chapter presents potential topics for further research related to the topic.

## **2 Resource-based view, born global companies and social media marketing**

The objective of this chapter is to explain the key terms of the thesis: RBV, born global companies, social media platforms, social media marketing, and brand awareness.

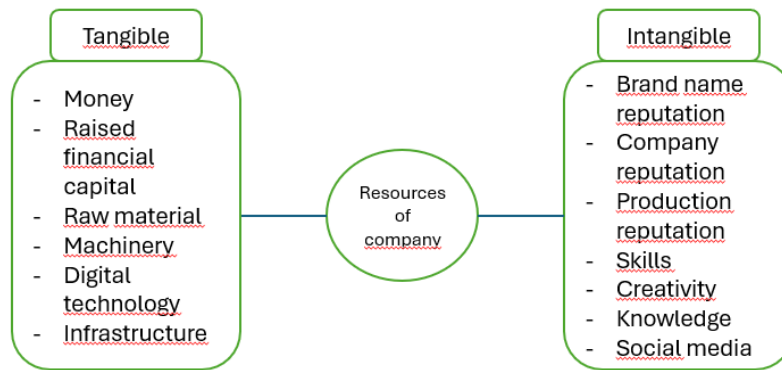
### **2.1 Resource-based view (RBV)**

This bachelor's thesis uses the resource-based view (RBV) framework. The framework is essential for work, as it deals with the benefits of social media marketing for born global companies. The RBV was created by Barney in 1991. According to Barney, resources can be divided into both tangible and intangible (Barney, 1991). RBV is a functional framework to understand the resources of a company. According to an article by Kamasak (2017), resources can be divided into tangible and intangible resources. Tangible resources can include touchable resources, such as machinery, office space, and factories. Intangible resources can include resources that cannot be touched, such as innovation, know-how, and creativity (Kamasak, 2017). Figure 1 gives some examples of both tangible and intangible resources. In Figure 1, we can see differences in tangible and intangible resources. Social media can be classified as an intangible resource. However, the use and utilization of social media require tangible resources from the company. According to the RBV, firms can achieve a competitive advantage by leveraging their internal capabilities (Barney, 1991). In the context of born global firms, social media emerges as a vital intangible resource, allowing firms to extend market reach at lower costs while compensating for limited financial and physical assets (Fraccastoro et al., 2021).

Companies can use RBV as an approach to the efficient use of their own resources (Day, 2011). According to Madhani's article (2021), the resource-based approach (RBV) focuses on the analysis and interpretation of organizations' internal resources. In Madhani's view, RBV emphasizes the importance of internal resources as an organization strives to create a strategy that will give it a lasting competitive advantage over its

competitors. In a resource-based view (RBV), a company's resources are viewed as inputs that the company needs for its operations. According to RBV, a company's internal resources and capabilities influence the strategic choices and decisions it can make regarding its operations. In addition, they affect how the company can compete in the market. However, not all abilities of a company are strategic resources. A company can only achieve a competitive advantage if different companies have different resources at their disposal and competing companies cannot quickly even out differences in resources (Madhani, 2021).

Madhani continues in the same article that RBV deals with the company's competitive environment from within the company. In other words, RBV's approach starts with an analysis of the company's internal environment. The internal resources of some companies enable them to create value in customers' value chains, develop new products, and expand into new markets. If the company's internal resources are considered as crucial competitiveness factors, then the company must focus on developing value chain functionalities that differ from those of its competitors. This can enable the company to identify functionalities in value chains that it can implement differently from its competitors and thus achieve competitive advantages. According to RBV, a company's sustainable competitive advantage is a result of the company's internal resources and capabilities. The ability of a company to function and continue to operate is explained in RBV by the resources available to the company, which are considered inputs (Madhani, 2021).



**Figure 1.** Examples of company resources are divided into tangible and intangible according to the RBV framework (adapted, Kamasak, 2017)

## 2.2 Born global companies

Knight and Cavusgil (2024) define born global companies as follows:

*"We define born globals as business organizations that, from or near their founding, seek superior international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries."* (Knight & Cavusgil, 2024, n.d.)

Knight and Cavusgil (2024) define born global companies as companies that seek to internationalize extensively immediately or close to their establishment. The strength of these companies can be seen in the application of knowledge-based resources. This may have a potential impact on getting products sold in multiple countries and achieving superior international business (Knight & Cavusgil, 2024). Knight and Cavusgil's definition of born global companies is in line with McKinsey's. In the article by Shon Ferguson et al. (2019) they refer to a report by McKinsey that defines "born globals" as firms that are capable of rapidly and effectively engaging in foreign exports. The report further highlights that born global companies are characterized by their ability to overcome entry

barriers to international markets, often without first establishing a strong presence in their domestic market.

In their article, Ferguson et al. (2019) report that born global companies typically have an export share ranging from 20% to 80% of their total international exports. They further explain that the export activities of born global companies typically commence between 2 and 10 years after their establishment. Building on previous literature, they provide more specific characteristics of these companies, noting that within three years of their establishment, born global companies generate 25% of their sales from exports to foreign markets (Ferguson et al., 2019).

Caputo et al. (2022) provide two motivations for internationalization. The first is the saturation of the domestic market, prompting the company to seek opportunities in foreign markets. The second is when a company perceives its domestic market as unprofitable, leading to the decision to expand internationally. In the case of market saturation, it becomes increasingly difficult to achieve profitability within the domestic market, while in an unprofitable market, selling products or services may be infeasible.

To succeed in early internationalization, emerging global companies must compensate for their limited resources. According to Knight and Cavusgil (2024), born global companies are particularly leveraging innovation and know-how to compensate for their limited resources. In other words, born global companies strive to utilize their intangible resources as efficiently as possible. Typically, older companies have been able to exploit their material resources when entering foreign markets (Knight & Cavusgil 2024).

Two factors that encourage companies to internationalize at an early stage are the globalization of markets and technological developments, which reduce the costs of international operations and facilitate international trade (Knight & Cavusgil 2024). Technological developments include inter alia developments in information and communication technologies. As a result of globalization, consumers' consumption habits and

preferences have increasingly resembled each other in different countries. As a result, the need for companies seeking to enter international markets to localize their products and markets has decreased. With technological development, internationalization has become more profitable and cost-effective. These factors facilitate the internationalization of resource-poor born global companies (Knight & Cavusgil 2024).

In other words, it is crucial for born global firms to rapidly extend their product or service offerings into international markets shortly after their establishment in their home country (Ferguson et al., 2019). Furthermore, these companies must develop a robust business plan and product strategy before launching their operations and pursuing internationalization. Without a clear product and business model, the venture is unlikely to generate profits. Moreover, the business model serves as a framework that guides the company's decisions regarding the types of products or services to offer, the target market, the most effective methods of delivery, how value can be captured from customers, and the organization of essential business functions (Hennart et al., 2021).

According to Hennart et al. (2021), there are several key considerations related to the business model that emerging global companies should consider. These include, for example, the identification of target customer segments (e.g., mass market versus niche customers), the preferred modes of interaction with customers (such as self-service or personal assistance), the selection of distribution channels (e.g., dedicated versus independent channels), and the payment structures for products or services (e.g., one-time payments versus recurring payments). These elements are crucial in shaping the company's strategic approach to internationalization (Hennart et al, 2021).

Caputo et al. (2022) note that the business expansion of born global companies often occurs in countries with cultural similarities to their home market. Markets with cultures closer to those of the domestic market facilitate expansion. This will help to gain access to the markets of those regions, as well as to those of countries whose culture differs significantly from that of the home country and its markets. Additionally, Caputo et al.

emphasize that the internationalization process is linked closely to the accumulation of knowledge about foreign markets. The more effectively companies can gather information about these markets, the easier it becomes for them to operate within them (Caputo et al, 2022).

For the success of born global companies, it is essential that they have a lot of entrepreneurial spirit and a strong desire to internationalize. Many executives in born global companies have mentioned that innovation is important when reaching foreign markets. In addition to this, leaders of born global companies see it as essential to develop and apply strong marketing capabilities abroad. Knight and Cavusgil (2024) call these important traits international entrepreneurial orientation and international marketing orientation.

## **2.3 Social media marketing and brand awareness**

### **2.3.1 Social media**

The advent of social media was preceded by the creation of the internet. The World Wide Web (WWW), or the internet, was originally created as a platform to facilitate the exchange of information between the people who using it (Kaplan & Haelein, 2010). Modern social media can be divided into six different platforms. These are collaborative projects, blogs, content communities, social networking sites, virtual game worlds, and virtual social worlds (Kaplan & Haelein, 2010).

When it comes to social media, you should think about how to use it. Kaplan and Haelein (2010) give five different examples in their article. It is worth carefully choosing the platforms to use, whether it is worth choosing an existing application or creating your own, ensuring the alignment of functions, choosing media plan integration, and access to the platform for everyone (Kaplan & Haelein, 2010).

If companies are not involved in social media, they miss a significant marketing communication opportunity. Social media has changed many things, for example, the way companies interact with consumers in a different way than they have been through previous means of communication (Kaplan & Haenlein, 2010). With these different ways, social media has become relevant for all businesses, regardless of how they operate.

Ryan et al. (2017) claim that social media has emerged as an increasingly prevalent tool for facilitating social interaction. They define social media as an online platform that enables users to create profiles, connect with others, and share or exchange content. The authors further categorize social media into various forms, including social networking sites (e.g., Facebook, Instagram, Snapchat), instant messaging services (e.g., WhatsApp, Facebook Messenger), and macro and microblogging platforms (e.g., Twitter, WordPress, Tumblr). Among these, social networking sites are identified as some of the most widely used forms of social media today. Ryan et al. (2017) cite Facebook's 2016 statistics, which indicate that the platform has over one billion daily users globally. Additionally, they note that 69% of Australians engage with social media sites, with 57% of them doing so daily.

In the article, Meythaler et al. (2023) references a report by Statista, which indicates that the number of smartphones worldwide reached 5.3 billion in 2023. He further highlights that, in 2022, users spent an average of 2 hours and 31 minutes per day on social media platforms. For a significant portion of users, social media has become a key source of news and social information (Meythaler et al., 2023).

The increasing popularity of social media has significantly enhanced user engagement, contributing to the growth of online communication (Ryan et al., 2017). According to Ryan et al., this rise in social media usage has facilitated the transition of interactions from offline social networks to online platforms. As a result, the dynamics of social interaction have evolved, influencing how social connections are initiated, sustained, or

disrupted (Ryan et al., 2017). Moreover, Ryan et al. note that scholars have started to critically investigate the relationship between social media usage and social connectivity.

Several scholars have suggested that the distinctive communication capabilities enabled by the Internet offer valuable opportunities for individuals experiencing loneliness, as these tools may theoretically enhance their social connection skills (Ryan et al., 2017). Ryan et al. further argue that individuals who are geographically isolated or have limited mobility can easily maintain communication with loved ones through voice and video calls. Additionally, for those with social anxiety, the asynchronous or anonymous nature of online communication provides a more conducive environment for self-expression and the development of social capital, as socially anxious individuals often face challenges in expressing themselves in face-to-face interactions.

In their article, Ryan et al. (2017) reference a study by Ellison, Steinfield, and Lampen, which suggests that social media platforms, such as Facebook, are effective tools for enhancing social capital. They further explain that Facebook was originally designed to facilitate interaction and networking among university students. Initially, the platform was structured around the concept of "networks," requiring users to register using their school email addresses. This email-based sign-up process enabled users to establish offline connections, thereby facilitating the development of new relationships within the academic community (Ryan et al., 2017).

Social media presents both positive and negative aspects. Meythaler et al. (2023) identify several negative consequences, including the exacerbation of feelings of jealousy, the distortion of body image perceptions, and the facilitation of the spread of misinformation, political propaganda, social polarization, and hate speech. On the other hand, he highlights the positive potential of social media, particularly its ability to mobilize individuals for significant causes, thereby fostering solidarity among like-minded people. Additionally, Meythaler et al. (2023) note that social media enables the sharing of common interests, hobbies, and identities, which can strengthen social cohesion. He further

suggests that online communities formed around these shared interests offer individuals a sense of belonging.

### **2.3.2 Social media marketing**

In their article, Dolega et al. (2021) discuss the significant transformation of the retail landscape over the past decade. This transformation is accompanied by the substantial growth of online sales and technological innovations such as digital marketing, artificial intelligence, and virtual reality-based shopping platforms. According to Dolega et al. (2021), these developments have altered the methods by which retailers engage with customers to enhance business profitability and redefine the sale of consumer goods. Dolega et al. (2021) further note that contemporary research on social media and digital marketing has predominantly concentrated on the impact of digital technologies, which, as they argue, create value for customers, influence purchasing decisions, and contribute to customer satisfaction and brand equity.

In their article, Nwankwo and Gbadamosi (2020) discuss the interconnected roles of Internet marketing and social media channels, emphasizing their integral presence in contemporary marketing practices across both small and medium-sized enterprises (SMEs) and large corporations. Social media platforms such as Facebook, Instagram, and LinkedIn serve as key tools for SMEs to generate content and promote products through official media marketing (Nwankwo & Gbadamosi, 2020). The authors further argue that social media marketing is effective for several reasons, including its ability to foster brand awareness, establish thought leadership and engage in conversations, generate leads and sales, strengthen long-term customer relationships, and conduct corporate, community, and competitor analyses.

Nwankwo and Gbadamosi (2020) note that a significant number of potential customers engage with social media regularly, often using platforms such as Google search engines and social media sites to gather information. They cite YouTube as an example,

highlighting it as the second-largest social media platform, after Facebook, in terms of user searches for information. Regular and high-quality use of social media helps reinforce brand awareness, as customers tend to recall brands more effectively the more frequently, they encounter brand-generated content (Nwankwo & Gbadamosi, 2020). Furthermore, social media offers SMEs the opportunity to enhance customer engagement, as it enables customers to comment on and share business-generated content. Additionally, companies can incorporate links to their websites on social media platforms to drive sales (Nwankwo & Gbadamosi, 2020). A straightforward approach to marketing to individuals interested in a company or its products involves sharing and discussing products and services on social media, provided this is executed effectively (Nwankwo & Gbadamosi, 2020).

### **2.3.3 Brand**

In their article, Laif et al. (2014) define a brand as a combination of recognition and differentiation that captures consumers' attention towards a product. They further assert that a brand adds value both to consumers and to the company itself. According to the authors, companies aim to satisfy consumer needs by offering value propositions that align with consumers' desires, thereby delivering tangible benefits (Laif et al., 2014).

Through marketing, companies aim to remind consumers of their existence and their products and brands through marketing communications. Marketing communication can be two-way, i.e., a company can market in such a way that consumers can interact with marketing. This allows companies to build relationships with potential new customers (Keller, 2009). Keller writes in his article (2009) that brand capital is important for organizations. It is an intangible value that marketer's approach in different ways. Brand equity is often defined as brand-driven marketing impacts. It means that marketing a product or service will result in different outcomes depending on the brand. It is worth differentiating a brand so as not to confuse it with any other product or service on the market (Keller, 2009).

Laif et al. (2014) write that when consumers are satisfied with the value provided by companies and brands, they, in turn, contribute value to businesses by demonstrating brand loyalty. In their view, these interactions between consumers and businesses facilitate unique exchanges of value, which consumers internalize and conceptualize as the brand.

According to Laif et al. (2014), brands consist of a combination of a name and/or symbol that consumers can recognize and associate with a product, service, or product/service group. They further argue that, from the consumer's perspective, a brand can be defined as the total accumulation of all experiences associated with it, becoming increasingly specific as it relates to the consumer's personal interactions with the brand. Laif et al. (2014) also suggest that a successful brand is characterized by its ability to meet consumer needs through a recognizable product, service, person, or place, thereby establishing a meaningful connection with consumers.

In their article, Latif et al. (2014) explore the range of activities that influence consumer perceptions of brands. They reference Kotler and Keller's 2006 work on branding, which asserts that branding provides products and services with a competitive advantage. Kotler and Keller further emphasize that branding is fundamentally about creating differentiation. According to Latif et al. (2014), effective branding requires educating consumers about "who" the product is and "what" it does. Beyond creating value for the company, branding also involves establishing psychological foundations that help consumers organize their cognitive understanding of products and services in a manner that facilitates decision-making. Additionally, for branding strategies to be effective in convincing consumers of significant differences between brands within a product or service category, they must be both profitable and capable of generating substantial brand value (Latif et al., 2014).

#### 2.3.4 Brand awareness

In his article *Factors Affecting Brand Awareness*, Gündüzyeli (2021) explains that since the industrial era, rapidly changing and evolving market conditions have expanded consumer choice, thereby exposing organizations to intense competition. He further asserts that consumers purchase not only the product or service but also the image, positioning, and perceived value of the brand associated with the product or service. In response to this, organizations seek to establish an emotional connection with consumers by implementing targeted strategies aimed at enhancing brand awareness. Gündüzyeli (2021) also emphasizes the significant role of advertising in influencing brand awareness, noting that advertisements are widely recognized for their effectiveness in increasing consumer satisfaction and raising awareness of products.

Keller (2009) writes in his article that brand awareness is increased by all marketing communication that makes the consumer notice and pay attention. The effects of the chosen marketing communication options, the effects on the brand, and how they affect consumers' purchasing behavior are difficult to determine. Keller argues that the marketing communications environment has become more complex with the advent of the Internet. At the same time, building and managing brands has become more difficult. Integrated marketing communication means using different options as a compatible whole to achieve your goals.

Gündüzyeli (2021) highlights that advertisers consistently engage in competition by continuously developing innovative communication strategies aimed at capturing customers' attention and stimulating desire. He further notes that subsequent research has demonstrated that advertisements are more memorable when they achieve a high degree of consumer preference. Additionally, he points out that a lower level of liking for an advertisement is associated with reduced ad recall.

Gündüzyeli (2021) explains that advertisers and advertising agencies aim to effectively communicate the messages they intend to convey, such as the launch of a new product

or an advertising campaign. These campaigns can involve large-budget projects designed to target specific audiences. Advertisements may feature individuals who have used a product or service, discussing their experiences with it on camera. Additionally, advertisements often incorporate well-known public figures. Gündüzyeli (2021) suggests that the involvement of famous personalities can provide a compelling and authentic narrative about a brand, product, or service, which can enhance the credibility and visibility of the brand.

In promotional activities and advertising, the use of famous personalities is a widely employed strategy to enhance brand awareness (Gündüzyeli, 2021). When consumers encounter advertisements featuring well-known figures, they may associate these celebrities with the products being advertised, potentially motivating them to use the products themselves. Gündüzyeli further notes that the inclusion of famous personalities, alongside memorable slogans, and brand elements, plays a crucial role in shaping brand awareness. This strategy impacts the everyday language of society and leaves a permanent impression on consumers. However, if consumers see celebrities in advertisements without understanding the connection to a product or company, the primary objective of the ad may not be achieved. When the brand, slogan, and celebrity endorsement are all clearly integrated into an advertisement, consumers are more likely to retain the advertisement in their memory.

According to his article (2009), Keller agrees with Gündüzyel. When building a strong brand, it is good to remember that it increases the effectiveness of marketing communications. In general, it can be said that a strong brand and brand equity make consumers feel more positive about brand advertising and remember it better. For these reasons, brand equity is important for the effectiveness of advertising (Keller, 2009).

In their article on brand awareness, Dülek and Saydan (2019) define brand awareness as the influence of elements such as brand name, symbol, and logo on the consumer's mind, enabling them to identify and remember the brand. They further elaborate that brand

awareness is a two-dimensional concept, encompassing both brand recognition and brand recall. According to Dülek and Saydan (2019), brand awareness refers to a consumer's ability to distinguish a brand from others based on prior exposure, whether through sight or sound. Brand recall, on the other hand, occurs when the brand is remembered about a specific need or product requirement. Additionally, the authors highlight that brand loyalty is a significant factor that facilitates consumer decision-making. Once a consumer has had a positive experience with a product, they are likely to continue purchasing it from the same manufacturer.

In their 2014 article, Laif et al. emphasize that enhancing brand awareness in a competitive market is crucial in the contemporary marketing landscape. They argue that strong brand awareness provides a competitive advantage, thereby enhancing the company's reputation and credibility. Conversely, if brand awareness is not effectively strengthened in highly competed markets, consumers may forget about the brand and its associated products (Laif et al., 2014).

Dülek and Saydan (2019) note that, in addition to traditional media industries such as television, newspapers, and radio, contemporary brands are increasingly establishing a presence on social media platforms. With billions of users actively engaging on these platforms daily, social media has emerged as a significant extension of internet technology, facilitated by advancements in telecommunications (Dülek & Saydan, 2019). Today, social media plays a crucial role in enhancing consumer awareness of brands.

Keller writes in his article (2009) that when building brand equity, all available marketing communication options should be evaluated on a cost-output basis. Therefore, when designing marketing strategies to improve brand awareness, it is important to consider a wide range of brand-building measures.

### **3 Benefits of social media in creating brand awareness of born global companies**

It is profitable for companies to think about expanding into foreign markets. It is worthwhile for them to consider whether they are expanding into a limited number of markets more deeply or whether they are expanding superficially to many (Katsikeas et al., 2020). A more resource-poor company like born global may face challenges in expanding into many countries at the same time.

Katsikeas et al. (2020) suggest that targeting marketing abroad is easier than before thanks to the Internet and other digital sources. It will be easier to find information on the characteristics, consumer profiles and demographics of different countries. Accessing this information is quite easy and quite affordable. It is easier for an enterprise to obtain information on macroeconomic data for different regions (Katsikeas et al., 2020).

Mika Gabrielsson (2005) writes in his article *Branding Strategies of Born Globals* that limited financial and administrative resources combined with a rapid globalization strategy reduce the branding strategies that are realistically available. He gives three examples of this. The first example he mentions is that a branding strategy should be cost-effective. Secondly, the branding strategy should allow for a quick impact on the global market, and thirdly, brand building should be simple and require limited management skills. In addition, he mentions that achieving all these requirements seems almost impossible at first. Born global companies usually do not have the resources needed for intensive marketing and brand building (Gabrielsson, 2005). Instead, they differentiate themselves through product innovation. Gabrielsson (2005) also mentions that targeted global brand awareness and image are consistently built on the brand identity that the company has set as its brand goal.

What Gabrielsson writes in his article can be analyzed using the RBV model. As Gabrielsson mentioned in his article the global companies are often lacking assets. They can lack

both kinds of assets: tangible assets, like financial assets, and intangible assets, like administrative assets. Born global companies must be able to take advantage of their intangible assets to their social media marketing. In social media marketing, you need to know how to be innovative and creative to figure out what kind of marketing makes people who have seen advertisements interested in companies and their products. As Gündüzyeli has expressed in his article (2021), the better the person remembers the advertisement, the better the person recalls the brand. Creating these types of advertisements in social media marketing can be a better way to create brand awareness among social media users.

Fraccastoro et al. (2021) have stated that the use of social media is essential throughout the company's internationalization process. By utilizing social media, the company can reach people around the world. An internationalizing company must carefully assess which foreign markets it will target its social media marketing at. One reason for this is that, among other things, due to cultural differences, social media marketing may be more fruitful in some markets than in others. Fraccastoro et al. (2021) state that an internationalizing company should use local know-how to target social media marketing to a specific area (Fraccastoro et al., 2021).

There are some benefits in using social media marketing. Moen et al. (2022) argue that marketing capabilities play a crucial role in the international performance of born global companies. Their argument is in line with Day's. According to Day (2011), companies can use RBV to analyze their own resources. These capabilities are particularly significant for born global companies, as they enable companies to gain a competitive advantage in target markets (Moen et al., 2022). Additionally, young, and agile companies are better positioned to leverage their marketing capabilities to enhance international performance compared to non-born global firms, as they tend to be more adaptable and flexible than larger, more complex organizations (Moen et al., 2022). In figure 2 we can see some benefits of social media marketing for born global companies. Its purpose is to give better understanding of the benefits of social media marketing.



**Figure 2.** List of some benefits of social media marketing of born global companies

Social media platforms are good places for resource-poor companies like born global companies because social media platforms can promote products at low cost. By utilizing social media platforms such as Facebook and Twitter, born global companies can reach large groups of people at low cost. With the help of social media, companies can improve brand awareness among customers, for example through various advertising campaigns and by developing brand recognition. Social media networks are an essential part of the customer acquisition strategy and brand awareness of companies like born global companies (Basri & Siam, 2017). For example, research by Chen et al. (2017) suggests that social media marketing is beneficial in building brand awareness.

The better resources a company has, the better it can utilize social media in its marketing. As a result, the company can be more successful in its internationalization (Saari, Haapanen & Hurmelinna-Laukkanen, 2022). Social media has proven to be a good thing for start-ups and born global companies. According to Chen et al. (2017), the benefits of social media lie in building corporate identity and stakeholder interaction for newly established companies.

However, there are also some challenges in using social media marketing. Social media marketing can be challenging for a resource-poor company like born global. Social media marketing requires resources from the company, and due to limited resources, it can remain at a weak level. Challenges in utilizing social media marketing include, for

example, language differences, cultural differences, and variations in social media formats from region to region. Adapting social media marketing to fit different target markets well consumes resources from companies. This is particularly challenging for a resource-poor company such as born global. Despite this, a company's ability to leverage social media in its marketing may evolve over time. As abilities develop, the use of social media becomes more efficient and requires fewer resources (Saari, Haapanen & Hurmelinna-Laukkanen, 2022).

While a resource-poor company like born global is trying to make effective use of its social media marketing, it must simultaneously seek to increase its sales and production. This kind of balancing act can pose challenges for a small company like born global, which can ultimately lead to reputational damage (Saari, Haapanen & Hurmelinna-Laukkanen, 2022).

Nwankwo and Gbadamosi (2020) argue that internet marketing has become a standard practice, as companies increasingly engage customers through various social media platforms and websites. They define internet marketing as a comprehensive set of online communication strategies, which includes digital marketing, social media marketing, search engine marketing, email marketing, and web-based advertising. Furthermore, they highlight that this approach operates across multiple channels, enabling more efficient and timely tracking of customer journeys. The authors also note that this approach is particularly advantageous for small and medium-sized enterprises, as it enhances cost-efficiency and supports growth optimization (Nwankwo and Gbadamosi, 2020).

## 4 Conclusions

### 4.1 Summary of the findings

The purpose of this work was to investigate the benefits of social media marketing in creating brand awareness for born global companies. The topic was discussed by using RVB model, studying born global companies, social media, social media marketing, brand, and brand awareness. At the beginning of the work, the main research question was asked:

“What are the benefits of social media marketing in creating brand awareness for born global companies?”

When looking at born global companies using the RBV framework, it becomes obvious that born global companies are often resource poor. In general, born global companies lack physical resources, so they must compensate for their shortcomings with their intangible resources. Intangible resources such as innovation and flexibility are valuable capital for born global companies because they do not require physical resources such as financial capital.

Katsikeas et al. mentioned in their article (2020) that marketing targeted abroad is easier due to the internet and other digital sources. Social media marketing is a cost-effective option that allows born global companies to market themselves and their products with limited resources (Basri & Siam, 2017; Katsikeas et al., 2020). Intangible resources combined with cost-effective marketing can improve brand awareness for born global companies. This can be seen as social media being a useful tool for born global companies.

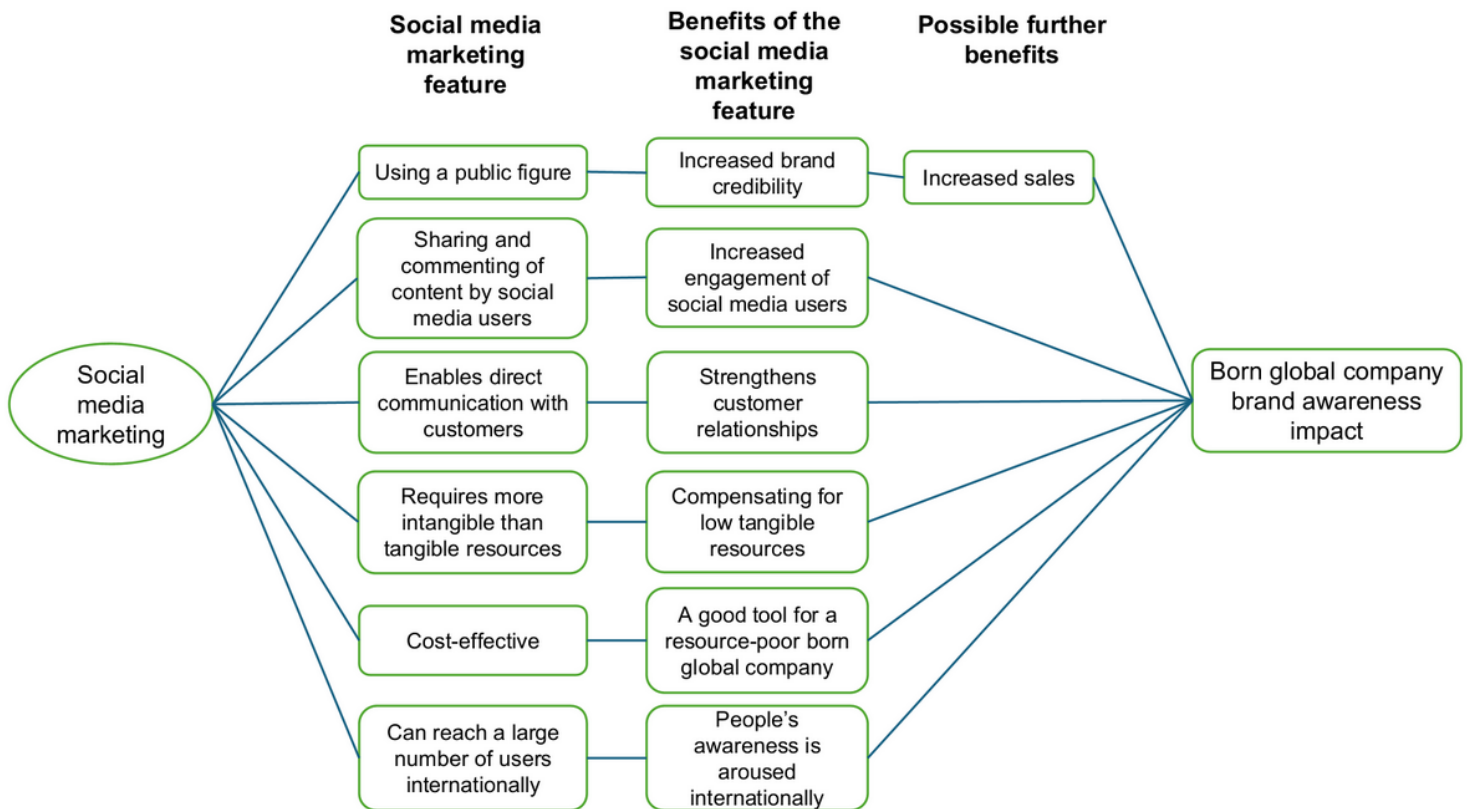
Social media marketing has many positive effects on creating brand awareness for born global companies. Basri and Siam mentioned in their 2017 article that social media can reach large groups of people internationally with low cost, and their awareness is aroused. In addition to this, Katsikeas et al. mentioned in their article (2020) that

marketing on social media is cost-effective. Fraccastoro et al. (2021) support Basri and Siam's view, as Fraccastoro et al. discuss in their article that the company is able to reach people around the world through social media marketing. When social media marketing has been used in the marketing of born global companies, a wider group of people gains awareness of them.

According to Meythaler et al. article (2023), in 2022, people worldwide used 2 hours and 31 minutes of social media daily. Nwankwon and Gbadamos (2020) mention in their article that the more often people encounter brand-generated content on social media, the more effectively they remember the brand. Thus, it can be concluded that companies should constantly create new content for social media, because as a result, social media users will see their content more often and better remember the brand and its existence. This kind of high-quality use of social media helps strengthen brand awareness.

By using celebrities in its marketing, a company can positively influence the development of brand awareness. As Gündüzyeli mentions in his article (2021) using famous personalities is a widely used marketing strategy to increase brand awareness. According to him, using celebrities in advertisements can motivate people who have seen the advertisements to buy those advertised products. Based on this, it can be concluded that even born global companies can increase brand awareness by using celebrities in their social media marketing, and increase their sales.

Born global companies often lack physical resources, for example, financial capital. They can compensate for these shortcomings with intangible resources such as innovation, know-how and creativity. Social media marketing needs these intangible resources. Sure, also social media marketing requires financial resources, but it is cheap and cost-effective compared to, for example, traditional media marketing.



**Figure 3.** Features of social media marketing, what kind of benefits they have for born global companies, and what positive impact they have on these companies

The purpose of figure 3 is to improve the understanding of the different features of social media marketing, the benefits they bring to born global companies and the positive consequences impact they have for improving brand awareness.

Using the RBV reveals that using social media marketing utilizes the availability of intangible resources of born global companies in creating brand awareness and thus compensating the lack of tangible resources. Using the resource-based view it can be argued that social media marketing has benefits for creating brand awareness for born global companies.

## **4.2 Practical contributions**

The results of the work have highlighted the benefits of social media marketing for born global companies in creating brand awareness. The results of this work can be useful for people who are starting born global companies, newly established born global companies, and those companies that are potentially considering starting social media marketing. With these results global companies can better understand how to use their own resources more efficiently and effectively.

## **4.3 Suggestions for future research**

This study did not cover the social media marketing of born global companies that had already been on the market for a long time, as it was excluded from this work. However, it might be useful to study this subject. Studying the topic could benefit companies' marketing teams and how those companies could market in new areas or in new ways.

In addition, it would be interesting to conduct research on how born global companies established on different continents have fared during the five years after their establishment, as well as what percentage of established born global companies remain. This kind of research could provide useful research on what traits are needed for born global companies to succeed and whether the location of establishment affects the success of born global companies.

It would also be interesting to take a deeper look at what kind of social media marketing strategies have been applied by born global companies. The topic would be interesting to study because it could give a better understanding of the social media marketing strategies used by born global companies and what kinds of strategies could be more effective than others.

Another topic requiring further investigation is what kind of social media marketing activities born global companies have implemented and how those activities have affected brand awareness. Research like this would help born global companies improve their understanding of how they can create brand awareness through social media marketing.

Finally, it would be good to investigate what social media platforms born global companies use, and which ones they do not use. It is necessary to explore this as it might reveal what effects the choice of social media platforms for social media marketing has on brand awareness.

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