

Generation Y entrepreneurs and social media platforms: An assessment of online entrepreneurial alliance creation.

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Abstract

This study was to identify the extent of Generation Y entrepreneurs' social media usage in terms of weak-tie alliance maintenance and creation and also alliance creation. A sample group of entrepreneurs in the Johannesburg were chosen by using social media as a channel. By using the researcher's social capital and also the different characteristics that are unique to these SNSs (social network sites), such as Twitter advertising, a sample group was created. A digital survey was distributed to the selected entrepreneurs by using an online platform. By using hypothesis testing and a multiple regression model, it was identified that entrepreneurs tend to favour maintaining weak-ties over creating weak-ties using SNSs, and alliance creation on SNSs does not seem too common, but it was highlighted that when entrepreneurs do create alliances, they tend to favour weak-ties that they have created on SNSs. The overall picture is that entrepreneurs have an inclination not to use SNSs to create weak-ties and alliances, this could come down to a number of factors such as trust and education, and there could also perhaps be no SNS that supports alliance creation to the extent that entrepreneurs need.

Declaration

I, Andrew Reinhart, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management Entrepreneurship and New Venture Creation in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Andrew Reinhart

Signed at

On the day of 2016

Dedication

I would like to thank Louise and Manfred Reinhart for giving me the opportunity to pursue this qualification. I know the sacrifices that they went through to provide me with the resources to pursue both my passions and my career. They also had to deal with hours upon hours of me talking about this qualification, I can only imagine how sick and tired they got of it, but they still listened with a smile. I also would like to thank my organisation that I work for, Mortimer Harvey. The support they provided me throughout this qualification was unbelievable.

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Chapter 1 – Introduction

1.1 Theoretical background of the study

The creation of both the personal computer and the internet has created an online world that gives people the chance to socialise over great distances by a click of a button. This ease of communication has created communities that are online and allows for information to be exchanged between individuals and groups. With regard to doing business, the world has become one enormous market place to which any individual with the slightest inclination to start a business has access. With access, not only do these individuals have access to overseas markets and information, but also people and organisations from different communities and countries, individuals from every corner of the world that can offer entrepreneurs unique and vital information, creating a cauldron of information that an individual can use, adapt and expand to best suit them, but also resources and other useful tools that can be used in a business environment.

1.2 Context of the study

With regard to Generation Y, this is the first generation to grow up with the computer. They have mastered computers and have made it a crucial tool in their daily lives, but the one feature that Generation Y has taken advantage of is that of communication and the ease of it with computers (Bolton, et al., 2013). With the proliferation of the internet there have been many developments. One of the most popular has been the creation of social media. It has been credited as the main information transferring tool in a number of global events, such as the Arab Spring. The youth within the Arab world used social media platforms to co-ordinate protests and educate users on rising costs and unemployment and demands for reform in certain countries (Ghannam, 2011). The use of social media has become one of the major activities of the internet, and has become a main driver of the transferring of information. When social media is used correctly, it can create fame, fortune and what has become a major factor in evaluating how popular and influential an individual is, that of a large “following”.

By using social media, an entrepreneur would be able to create awareness about his/her business with relative ease and very low costs. Entrepreneurs can leverage

off their social media platforms and presence, and network with potential suppliers and clients, but also with other individuals that are either in the same industries or different ones. These networks can give them useful information on markets, finances and general business perspectives.

1.3 Problem Statement

Identifying whether or not Generation Y entrepreneurs in Johannesburg utilise social media to build weak-ties in order to create alliances, and if so, what types of alliances are being created.

1.4 Purpose

The purpose of this study is to identify if there is a relationship between entrepreneurs and their utilisation of social media to build weak-ties in terms of acquiring alliances in the region of Johannesburg, and if so, what type of alliances are being created. Essentially, this will highlight if there needs to be a focus on social media for both entrepreneurs and also potential entrepreneurs on the fundamental “dos and don’ts” of social media for businesses.

1.5 Research Question

Do Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order to create alliances, and if so, what type of alliances are being created?

1.6 Aims of the Study

The aim of this study is to identify if entrepreneurs use social media to create alliances. This will show that social media platforms have become more than a socialising platform, but can also assist entrepreneurs in their business dealings. By proving that social media platforms can perform such activities, this will give both academics and business owners evidence that these platforms are extremely beneficial. There are also ways of enhancing the use of social media platforms to get even more out of them for entrepreneurs.

1.7 Definition of terms

Generation Y – Individuals who are born between the years of 1981 and 1999 (Bolton, et al., 2013).

Weak-tie – An interpersonal bond between networks and individuals. The strength of a tie is dependent on a number of factors; amount of time, emotional intensity, intimacy and how complementary they are with one another. The more time, emotional intensity, intimacy and complementary a tie is, the stronger it will be. The weaker the characteristics are, the weaker the bond. In regards to a weak-tie there is a “bridge”, instead of a “bond” (Granovetter, 1973).

Social Media – Boyd and Ellison (2008) define social media/social network sites (SNSs) as web-sites that provide individuals with three distinct types of services;

- The creation of a profile that can either public or semi-public on a bounded system.
- Assist in the communicating with an individual or a group with similar or different characteristics.
- Being able to view and create links with lists of users and their own separate connections.

Strategic Alliances – the creation of agreements between independent individuals or organisations that will allow for the sharing of benefits and managerial control over the performance of the allocated tasks (Todeva & Knoke, 2005).

1.8 The contribution of the study

This research highlights if there is a relation between a Generation Y entrepreneur and their social media usage in terms of building weak-ties and creating different types of strategic alliances. By understanding this, students and business employees could be trained on how to use their social media platforms to their respective advantages. This could also create a ripple effect for other researchers to view social media's effects on entrepreneurs in other cities and provinces within South Africa, and evaluates how entrepreneurs can attain maximum benefits from social media.

Chapter 2 - Literature Review

2.1 Introduction

This literature review evaluates social media and its uses by Generation Y, and also social capital, weak-ties and the types of strategic alliances. It evaluates the importance of strategic alliances to an entrepreneur, and why one would pursue them.

2.2 Definition of topic

This research identifies the utilisation of social media amongst Generation Y entrepreneurs to build weak ties in order to create strategic alliances. Social media has become synonymous with everyday life for most individuals with access to the web and with social media, people are able to connect to one another like never before. These connections create channels for information and knowledge transfer, but also allow for opportunities for individuals to access valuable resources.

2.3 Problem Discussion

Valkenburg et al. (2006) states that social media used by Generation Y is predominantly used to socialise and be part of a community. This is a very positive outcome of social media, and allows users to create and maintain social capital (Berthon et al., 2011). Generation Y have become known as the digital natives, they are the first generation to have been born in a digital environment (Bolton, et al, 2013). Irrespective of whether they are at home or at work, their lives are influenced and it could be said dictated to by information technology. SNSs have become essential for Generation Y's daily activity of contributing, sharing, searching, and consuming content (Bolton, et al, 2013).

As previously discussed, Bolton et al. (2013) have defined Generation Y as all people born between 1981 and 1999; this follows the categorisation of previous generations as the Silent Generation (1925-1945), the Baby Boomers (1946-1960), and Generation X (1961-1981). There is still debate on the actual beginning and ending years of Generation Y, but this date is the most agreed upon. There are a number of characteristics that broadly define Generation Y, such as the reliance they have on technology to interact with other individuals. It must be emphasised that the

description that all Generation Y members grew up with computers and technology around them is broad, but it is an assumption that can be made. These members are the most technologically savvy and visually literate generation ever (Bolton, et al, 2013). The need to interact with friends, family and acquaintances has been largely satisfied with the use of SNSs by Generation Y than with any other generation (Gasser & Palfrey, 2008).

Researchers have studied the effects of the internet on individuals in a personal capacity. Cabral (2011) embraced Griffiths' six components of behavioural addiction and adapted it to her study to determine if Generation Y is addicted to social media. Griffiths' six components consist of; tolerance, salience, conflict, withdrawal, relapse and mood medication. It was highlighted that the Generation Y respondents displayed three and half of the components out of the six, these were: salience, tolerance, the intrapsychic element of conflict and relapse. Tolerance forms an integral part of addiction, Generation Y members need to increase the amount of time they use social media to feel the same effects. Salience, shows that social media has become a matter of high priority and dominates the thoughts of Generation Y members. The majority of Generation Y respondents state that they have a dilemma between trying to do a task and social media usage. This is intrapsychic conflict, it is when an addiction has an effect on a user's physical world. Relapse is synonymous with addiction and this is no different to social media addiction. It has become apparent that Generation Y has made social media a top priority in their lives and that to feel that feeling of satisfaction they need to use more of it. This article does have a limitation due to the fact that out of the respondents 73.8% were women (Cabral, 2011). Nevertheless, this provides insights to the usage of SNSs by Generation Y and how it has become a vital activity in their day to day lives. Shah, Kwak and Holbert's (2001) article '*Connecting and disconnecting with civic life*' focused on three different generations; Generation X, Baby Boomers, and Civic Generation. It was exhibited that the internet had increasing influences over younger generations, at that time the up and coming generation was Generation X. They emphasised that it would have major effects on generations to come, specifically Generation Y. It must be also stated that SNSs do not create antisocial networking, they do not replace face-to-face interactions. Brandtzaeg (2012) says it

can actually lead to more face-to-face interactions, and lead to more social capital for active users, compared to non-active users.

Beer (2008) defines social networks as web-based services that allow users the ability to create a profile which can be either public or semi-public, highlight a list of other users that share similar connections, and allows users to engage with their own list of connections and those of other users. Beer (2008) state that SNSs get their uniqueness from allowing users to tailor and publicise their profiles, rather than allowing individuals to meet strangers. They also go on to emphasise that SNSs users are not necessarily there to connect to strangers, but rather to maintain connections with their extended social circles. In terms of business connections, it is not clear if these “extended social circles” can be compared to individuals within the same industry. Ellison, Steinfeld, and Lampe (2007) tend to agree with Boyd and Ellison, they mention that SNSs are not used to meet new people, but are rather used to keep in contact with existing offline connections and there is always a common connection e.g. a classmate. Steinfeld et al. (2008) differ in their argument, stating that their findings have identified that instead of this preconceived idea that Facebook assists in gains in pre-existing social capital levels, it actual is used to gain in bridging social capital levels. Burke, Kraut and Marlow (2011) state that a number of studies have discovered the benefits of using the internet and social capital. College students that used Facebook on a regular basis had high levels of social capital (Burke et al. 2011). Nie (2001; Ellison et al. 2007) argues that with the reduction of face-to-face time, can actually lead to the lessening of the individual’s social capital, but this has received strong criticism by a number of researchers. In-person interaction between two individuals can be supplemented by online interactions, state Wellman, Haase, Witte and Hampton (2001).

There are many different platforms of social media that can be used to create social networks, such as, LinkedIn, which allows its users to network with other like-minded individuals and organisations from across the world (Ellison, Steinfeld, & Lampe, 2007). In addition, Facebook, was initially used to link the student population of America (Ellison et al. 2007), but has since become the world’s largest social media platform, allows its users to share most media from music to videos. There are also photo sharing SNSs such as, Instagram and micro-blogging (Twitter). These sites can be used to communicate with people that are already known but also to meet

new people. Fundamentally, SNSs serve a dual service that maintains existing social ties and the formation new connections (Ellison et al. 2007). Bolton et al. (2013) goes on to state that Generation Y individuals are also more likely to share both information and ideas on SNSs. This could be very beneficial to entrepreneurs gaining new information to assist them in the running of their businesses. In a general movement, more and more entrepreneurs are increasing their network identity on SNSs, because of the web becoming such an integral part of communication (Sigfusson & Chetty, 2013). Researchers have also identified that SNSs are being used by entrepreneurs to connect with partners online that could potentially assist them and their businesses to explore and exploit opportunities. Sigfusson and Chetty (2013) also state that LinkedIn plays a significant role in assisting entrepreneurs in acquiring resource opportunities.

In Dijck and Poell's (2013) article '*Understanding social media logic*', they identify four elements that dictates the principles, processes and practices that SNSs use to process information, news, and communication. These elements are: programmability, popularity, connectivity and datafication. The first element speaks to the ability of SNSs' curators to re-engineer algorithms and interfaces on their sites to encourage the users to create or communicate information. Popularity has to do with how SNSs use methods to showcase content that is more popular to users. Algorithms are used to determine how relevant the information is and to display it to users who will find it informative. Activities such as most viewed videos and content with more "likes" are other ways of determining their relevance (Dijck & Poell, 2013). Connectivity, the main reason that SNSs such as Facebook and Twitter were created is to enable human connectivity. The focal function of these sites is to promote networks. The last of the four elements, datafication, takes into account the three previously mentioned elements and produces real-time and predictive analytics of the users, and allows the creators of these SNSs to adapt, update and improve user experiences on SNSs. The transferring of knowledge is made simpler by using SNSs, and has become a source for individuals in obtaining relevant information. From an entrepreneur's perspective, the easier information can be transferred, the more beneficial it will be for them, because of the limited time they have.

In Bolton et al.'s (2013) article, they highlight the antecedents and consequences of the social media use by Generation Y. Figure 1 has been extracted from their article

and brings to attention that environmental, individual-level and dynamic factors play significant roles in how social media is used by Generation Y entrepreneurs. Environmental factors vary from country to country, but have a determining role in social media usage. Disposable income and employment opportunities are two of several economic factors that affect social media use. Technological factors obviously play an important role.

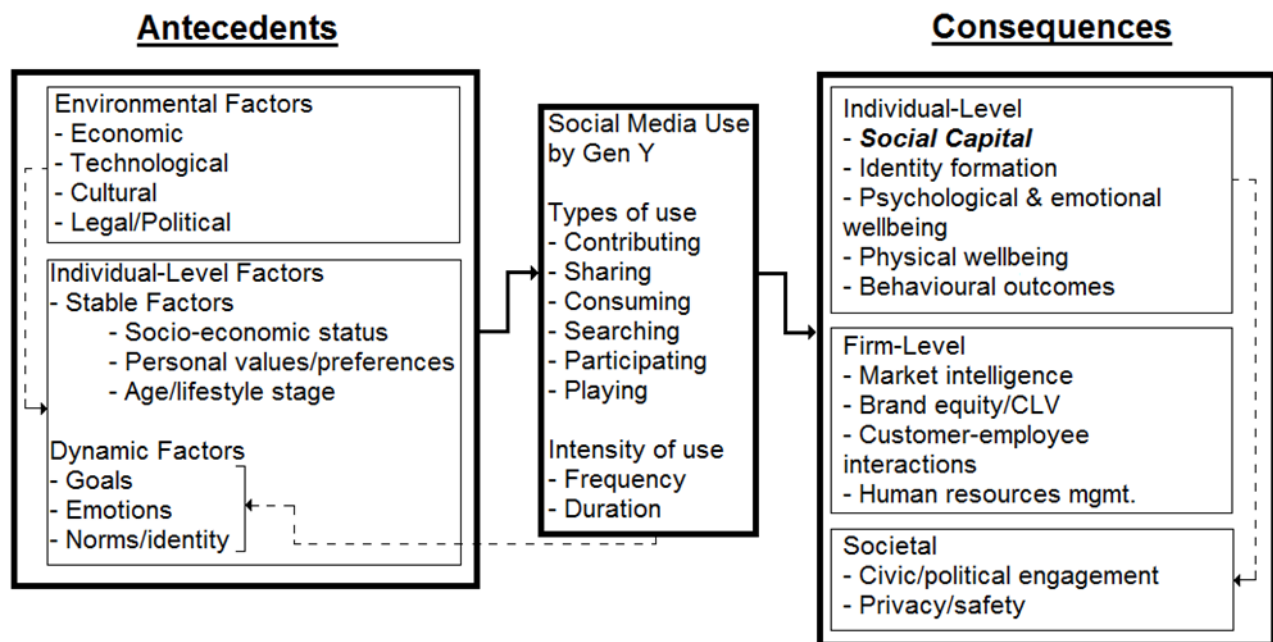


Figure 1 - Antecedents & consequences of the social media use by Generation Y
(Bolton et al. 2013)

The technology infrastructure of the country determines how many citizens can access the internet and of course social media usage. In terms of a cultural context, this can shape both nature and intensity of social media usage. Legal/political factors such as government policies, have determining factors in the uses of social media. Individual factors such as education, income, geographic region, along with age, have big roles in social media usage. When one assesses dynamic factors, especially goals, this is where entrepreneurs will more than likely come into the fray in terms of social media usage. Entrepreneurs could have a number of objectives, for instance trying to find alliances that could assist them in sharing R&D costs.

The consequences of social media usage highlights a number of outcomes; individual-level, firm-level and societal. Firm level and societal do not have a role to play in this study, but the outcome that will be focused on is that of individual-level. Within the individual-level outcome is that of social capital. In Joinson's (2008) study there were a number of uses and gratifications that were highlighted that SNSs are used for. Users of SNSs stated to "keep in touch" was one of their main reasons for using these platforms. The researcher delved deep into this usage of SNSs, he states it is the inquisitive side of individuals being brought to the forefront. It is to evaluate how friends are doing, behaving, looking, etc. This type of SNS use increases the time spent on these platforms. When evaluating how often users frequent SNSs, Joinson (2008) states that gratification from social connections plays a determining role. This inquisitiveness could assist entrepreneurs in finding new potential partners that can be utilised in their businesses.

In Portes' (1998) article '*Social capital: Its origins and applications in modern sociology*' he brings to attention that it is becoming accepted that social capital can be articulated as benefits that actors gain from being part of a social network. The source of social capital obviously derives from other individuals that a person is connected to, so one cannot obtain any benefits from social capital if there are not any connections to others. Portes (1998) takes a deep look into social capital and breaks it down to its fundamental features, that it is essentially the accrual of commitments from others that follow the rules of reciprocity. For instance, entrepreneurs are given privileged access to resources that they previously had no access to by social connections. These connections have expectations that they will be reimbursed sometime in the future. Portes (1998) states that social capital agreements have two clear, distinct characteristics that differentiate themselves from common economic exchange. The first is that the repayment of the social capital can be that of a different currency than that was originally given, and could be something that is intangible e.g. strategic alliances. The second characteristic is that there is no specific time set for the reimbursement of the currency to the donor.

Offline social media is positively associated with online social capital and also online to offline respectively. The key factor amongst online and offline social capital in Kobayashi, Ikeda and Miyatas' (2006) study is that of CMC (computer mediated communication). Social capital creation online must be encouraged, because there is

evidence social capital created online often turns to social capital offline, but this also contradicts research stating that there is negative associations between internet usage and non-internet social capital. There is an opportunity for a connection created online to turn to an offline contradiction. This could allow for strategic alliances to be created between entrepreneurs that have met online to take shape offline.

Portes (1998) identifies three basic functions that social capital serves; a source of social control, a source of family support and a source of benefits through individuals who are outside the family. When evaluating the first function, social capital is used as a rule enforcer. Social capital is created to assist schools, families, and the local authorities maintain order and discipline in community networks. Source of family support, is the second function of social capital. This can include family and friends, but also can be any group of people that share a close bond e.g. ethnicity or religion. The final, and as Portes (1998) states, the most common social capital function, the benefits gained from connection that are beyond that from family can assist with a number factors e.g. opportunities of employment and more importantly in the case of this study, entrepreneurial success.

There have been countless debates if social capital is beneficial to the performance of entrepreneurs and the firms they have created. Stam, Arzlanian and Elfring (2014) conducted research and have identified that there is a positive relationship between social capital and the performance of small companies. If one just assesses the number of individuals who are active on social media, it becomes evident that entrepreneurs need to invest resources such as time, in their social networks. In Leyden et al. (2013)'s study '*A theoretical analysis of the role of social networks in entrepreneurship*', it is highlighted that the probability of success for entrepreneurs is increased with social capital. They go on to define entrepreneurs as well, their definition is an individual who embraces uncertainty and is an innovator. Innovation is essentially an individual that creates and implements new innovations that leads to an outcome, lowering costs. As stated, the networks of entrepreneurs are of vital importance to the success of their innovations, the expansiveness and heterogeneity of these networks will assist with the transferring of knowledge and other resources. The greater and more heterogeneous these networks are, the more beneficial they are to the creativity of the entrepreneur. This is because of the type of information

that can be accessed by entrepreneurs. Heterogeneous networks are individuals that are different e.g. nationalities, industries, and have information that cannot be accessed through their homogenous networks. These connections will assist in the human capital development of entrepreneurs that will assist in assessing between risk and uncertainty (Leyden et al, 2013). Leyden et al. (2013, p. 13) articulate social networks as a “Mechanism for the entrepreneur to create and exploit such opportunities”. This provides clear evidence that entrepreneurs need to embrace social capital and provide the necessary resources towards them to create and them.

Social capital and human capital, are two very different, but yet equally important items entrepreneurs need in their arsenal. These differ from the common physical capital that are dealt with everyday e.g. cash and equipment. But nothing must be taken away from these two intangible forms of capital, they are the fundamentals for all business activities. Human capital is the skills, experience and knowledge that are learned by an individual (Coleman, 1988). The researcher goes on to state that social capital is even less tangible than that of human capital. It exists in the connections between individuals, families, friends etc. Human and social capital work hand-in-hand with each other. Social capital is the channel that allows for the transferring of human capital. When one assesses that of physical capital, such as equipment, vehicles, computers, one can see the tangibility of the resources invested (Coleman, 1988). This creates an incentive to invest in this type of capital, because benefits of this capital can be captured immediately. Coleman (1988) utters the same can be said for human capital, features such as qualifications and experience, assist individuals getting jobs with higher pay and responsibilities. When social capital is evaluated, it can be said that the investment of time and effort to create social connections that are very intangible, brings doubt in individuals. Coleman (1988) argues that most social connections are underinvested in, because the actors that partake in them only capture small amounts of the potential benefits.

Coleman (1988) states that social capital can be seen as an accessory that can be combined with other resources, e.g. human capital, and create different outcomes or behaviours. There are three areas identified that social capital can create identifiable value for its users. Obligations, expectations, and trustworthiness of structures, this area is essentially how entrepreneurs use social capital. When entrepreneur A does something for entrepreneur B, this creates an expectation of a reciprocal obligation

that entrepreneur A trusts that he/she will receive from entrepreneur B in the future (Coleman, 1988). The obligation becomes a credit slip. Trustworthiness forms the proverbial glue that holds these social connections together, and without it, it will not be able to function. Information channels are also another area that would apply to an entrepreneurial social connection. This speaks to the transferring of information from one individual to another. It is stated that the acquisition of information is expensive, not in terms of a monetary value, but time and effort. These relationships require attention and constant maintenance and development (Coleman, 1988). When one gauges this through a SNS perspective, there would be more needed than the initial connection. There will need to be engagement between the two individuals, so that information can start to be transferred. The last area is that of norms and effective sanctions, this does not play a big role in entrepreneurial connections. This creates norms within society and communities; Coleman (1988) gives an example of citizens being able to leave their houses and walk the city without any fear of crime.

It is highlighted by research that social capital online is made up of two dimensions, that of trust and reciprocity (Kobayashi, Ikeda & Miyata, 2006). A very interesting factor was also brought to attention in this study, that offline trust and reciprocity had significant effects on social media online. With regard to this study, this could possibly have a determining factor on entrepreneurs using SNSs to connect with other individuals that they have not met before, but it must also be taken into account that this study did not take into account SNSs. When SNSs and the internet are combined, one can do background checks on individuals to establish if their credentials are authentic. It is also stated by using the internet for activities such as connecting with online groups (chat groups), it assists in the development of social capital. Another activity that has been included that has a positive effect on online social media is that of informal groups. It is suggested that the collective use of the internet (connecting with online groups and informal groups, bulletin board posting and online chat) can have a substantial influence on social capital. An individual needs to be active on the internet and also SNSs for these tools to assist them in building their social capital. Kobayashi, Ikeda and Miyata (2006) have made it clear that human capital, specifically education, has an indirect effect on social capital online.

The most direct depiction of social capital is the reciprocal relationship between trust and civic participation, say Brehm and Rahn (1997). Their study showed that individuals who participate within their communities, are more than likely to have characteristics of trustworthiness, helpfulness and fairness. It is said that this relationship is asymmetrical, civic engagement's effect was that much greater on trust, than trust's effect on civic engagement. A macro environment factor is brought into the fray, that of government. If individuals are confident in the government the more likely they will be to participate in their community. Trust is heavily influenced by that of confidence. Brehm and Rahn (1997) indicate that a lack of confidence in a government may have a domino effect on social capital. It first influences trust negatively, and therefore has a negative effect on reciprocity. The South African government and its lack of stability and high rates of corruption could severely affect entrepreneurial association and interacting with one another, and therefore alliances.

Knack and Keefer's (2001) study measures the strength of social capital by measuring two areas that are believed to promote social capital, that of trust and civic cooperation. They draw two conclusions that are relevant for this paper. The first conclusion is that trust and civic co-operation have very strong associations with economic performance. The second conclusion is that countries with formal institutions that enforce contracts and other rights have stronger trust and civic co-operation between individuals and groups in the population. Within countries that have very low forms of civic co-operation and trust there is obviously going to be fewer strategic alliances amongst entrepreneurs and organisations. In countries where there is political unrest, ethnic discontent and income differences, divisions become the norm amongst the population (Knack & Keefer's, 2001). In South Africa, especially with the past that it has had, with the division of races and the wealth gap between the rich and the poor, there is a polarisation of the population which can cause high levels of distrust and also low civic co-operation. These issues will have negative effects on the amount of strategic alliances. Knack and Keefer (2001) state within heterogeneous societies e.g. South Africa, there are homogenous groups that have very strong trust and civic co-operation norms, but it does not stray outside of these groups. The trust and co-operation between heterogeneous groups is very low. This article does provide insights to possible reasons that there could be very low strategic alliances created on SNSs with entrepreneurs.

Researchers say that there is a bit of blur happening between social networks memberships used for leisure activities and business opportunities, and this blur is becoming more pronounced due to SNSs. Benson, Morgan, and Filippaios (2014) evaluate this phenomenon by investigating the professional usage of SNSs amongst undergraduates and postgraduates. With regard to the different types of SNSs used to perform these business networking activities, LinkedIn which is known as a business orientated SNS amongst the existing platforms is only the second most utilised, behind Facebook. Twitter is the least popular, which could be due to the effort one has to put into Twitter to attain any type of benefit. This could possibly highlight a need for a better professional SNS platform. But nonetheless, postgraduates use LinkedIn more than undergraduates, while it is the other way round for Facebook. Benson et al, (2013) go on to state that SNSs play a significant role in building new connections, and maintaining existing ones, but also if used correctly can exploit all forms of social capital. Postgraduate and undergraduates approach SNSs with two different attitudes, undergraduates use them to simply find jobs, while postgraduates use them to build social capital and also to search for and exploit opportunities. The researchers highlight their most prolific finding is that students believe that they have a sound understanding of SNSs, but this is not the case. They need to understand how these SNSs can be utilised to secure the attention of individuals with business opportunities (Benson et al, 2013). They call for institutions to assist in supplying students with this relevant information in line with their studies. This could be said for entrepreneurs who need formal training on operating SNSs to assist them in creating online social capital in their respective fields.

Brandtzaeg (2012) has identified several types of SNS users: sporadics, who use SNSs very seldom; lurkers, individual users who use SNSs, but not to engage; socialisers, individuals who use SNSs to chat to friends and family; debaters, individuals that use SNSs to discuss and debate topics; and advanced, individuals that use all aspects of SNSs. The researcher highlights that females use SNSs a lot more than males do, and their main use is to socialise and create strong online bonds. In terms of building bridging social capital, it has been found that socialisers are more likely to build this type of social capital. Entrepreneurs will need to be active on SNSs to create opportunities in building social capital. Brandtzaeg (2012) does

state that there is a cognitive limit of how many connections an individual can have. It is shown that debaters and advanced users overcome what was previously mentioned and that their activity and engagement assist them in meeting new connections. He goes on to conclude that SNS usage should be used as a supplementary tool to assist entrepreneurs and other individuals in extending their social capital. It was made clear in Brandtzaeg's (2012) research that more than half his sample was either sporadics or lurkers, and he states there is fast becoming a digital divide where the majority of the population has insufficient skills in using SNSs. This agrees with Benson et al.'s (2013) argument that there is need to educate entrepreneurs and individuals in general about the best practices for creating social capital on SNSs.

Within social science research there is a strong agreement that social relationships can lead to better performance for both individuals and organisations (Zuniga, Jung & Valenzuela, 2012). There are many definitions that define social capital but they all have one thing in common, that it can be used as a resource to benefit one's personal interests. Adler and Kwon (2002) go on to emphasise that it is a powerful factor in clarifying the success of many individuals. Social capital is essentially the structure of a relationship (Portes, 1998). The amassing of commitments from others that can be exchanged forms the basis of social capital, according to Portes (1998). He goes on to state that contributors provide access to valuable resources with the anticipation that it will be paid back in full in the future. One of the most prevalent benefits of SNSs is to allow users to create, experience and engage with a community (Valkenburg et al, 2006), but also it allows for individuals to essentially share information about themselves, which can enhance their social capital, but if not carefully used, have a negative outcome as well (Christofides, Muise, & Desmarais, 2009). Kobayashi et al. (2006) say that through the exchange of information, support and mutual reciprocity individuals receive online can counter the negative outcomes of the internet. It is stated by researchers that lurkers (individuals that do not partake in online activities on SNSs) can gain trust just by observing other users, but the trust will be unevenly distributed. The individuals that partake in these activities will not have trust in these lurkers.

Shah, Kwak and Holbert's (2001) research also tested the effect of the relationship between the overall internet usage and four types of internet usage patterns (social

recreation, product consumption, financial management and information exchange). They have identified three aspects of social capital, that of; civic engagement, interpersonal trust, and contentment. Their research identified that informational uses of the internet have very positive outcomes for the production of social capital amongst individuals, but by participating in chat rooms and playing games, social recreation, have negative effects on the aspects of social capital (Shah et al. 2001). With regard to the other types of internet usage, product consumption can lead to discontent in an individual's life, and financial management can lead to satisfaction with their lives. Civic engagement and trust aspects of social capital of an individual are heavily influenced when internet usage is used for informational exchanges. It is said that older generations (this could be the case with Generation X today) the internet is abandoned for TV and newspapers as individuals mature. This research does highlight a number of key aspects, but it was conducted when the internet was at its infancy, but it bring to attention a number of aspects. Social capital and this new form of media have an intense relationship. Social capital is completely and utterly dependant on the individual's motives when using the internet. Shah et al. (2001) state that what individuals do on the internet has much more importance than the actual time they spend on the internet. When individuals use the internet for entertainment or anonymous interaction, social capital is not gained. It essentially creates an illusion that one is gaining social capital, but this is not the case. This is because that there is no connection to the real world.

Motives of the entrepreneur plays a factor in developing social capital, but a factor that has an effect on the motives is at what stage of the lifecycle the entrepreneur's firm is at. Different types of social capital are used at different stages of the entrepreneur's firm. Greve and Salaff (2003) investigate social networks in economic activities. They essentially broke down the phases of establishing a business into three major phases: (1) motivation phase, (2) planning phase, and (3) establishment phase. They argue that entrepreneurs in phase one discuss their ideas with close connections, this could be due to them trusting these individuals with their ideas. Phase two is stated that building and maintaining connections is at the highest level throughout all the phases, and is an extremely important phase for entrepreneurs and their firms. The last phase, Greve and Salaff (2003) claim, that social networks of entrepreneurs are reduced in size, and focus less time networking. Members in

networks are still important, but only ones that had value with information and assistance. This could play a major role in the results of the study, entrepreneurs in the third phase may not be using SNSs to build weak-ties.

Nahapiet and Ghosal's (1997) description of social capital compares social capital to other capital like physical, financial and human capital, and go on further to state that it is used to attain certain goals that otherwise would be unattainable without or would come at a high cost. It is the resources that are embedded within and that only become available once a relationship is created between two parties. With regard to an entrepreneur, social capital could offer resources that were not previously accessible or available, that would be able to assist them with the growth of his or her business. Tsai and Ghoshal's (1998) has based their article, '*Social capital and value creation: the role of intrafirm networks*', on Nahapiet and Ghosal's (1997) theoretical model of how social capital can aid value creation. Nahapiet and Ghosal's (1997) initially highlighted that there are three elements that social capital is made up of; structural, relational and cognitive, and how these elements lend themselves to the amalgamation and exchange of resources within firms. It could be debated that this article is not relevant to this paper due to the fact that its research was conducted within organisations and does not take into account firm to firm/entrepreneur to entrepreneur value creation, but these elements spoken of are the essentials to social capital regardless of where it forms. Tsai and Ghoshal (1998) go on to define the elements. Structural dimensions is simply put as the location of an actor's social contacts within a social structure. This social capital dimension takes into account a number of aspects e.g. network ties, network configuration, and the stability of a network (Inkpen and Tsang, 2005). When looking at relational dimensions of social capital, this takes into account fundamentals that structural dimensions are made up of, such as trust. The last dimension of social capital that is mentioned is that of cognitive. The substances that makes up this dimension is the shared ideologies, visions, goals and values. Tsai and Ghoshal (1998) had very positive results pertaining to how social capital facilitates value creation, as previously stated value creation is both amalgamation and exchange of resources. They also highlighted when social capital is invested within the firm, this will eventually lead to value creation as well. This value creation can lead to outcomes, but an outcome that is emphasised is that it can lead to product innovation. This is

because product innovations are the outcome of exchanges of information and resources when informal social relations and tacit social arrangements are stimulated by the firm. Implications of Tsai and Ghoshal's (1998) article is that social networks form a vital cog in that of a successful career and also the success of an entrepreneur's firm.

Scheufele and Shah (2000) agree with social capital being a multidimensional construct, but differ with what dimensions of social capital is made up of. They identified three dimensions of social capital; social trust which forms the interpersonal dimension, life satisfaction as an intrapersonal dimension, and social engagement which forms part of the behavioural dimension. Within their study they assessed personality and informational variables on social capital. Their research exhibited information variables (newspaper and TV hardnews) had little to no effect on social capital. Scheufele and Shahs' (2000) findings displayed the opposite for personality variables on social capital. Self-confidence is a personality trait that assists trust. When an individual portrays self-confidence, it is said that they are satisfied with their life and their achievements, but also demonstrates more civic participation and trust in other individuals. There is evidence that education and income have contributing factors to the confidence of individuals. Brehm and Rahn (1997) also highlight that individuals that are wealthier and more educated display more trust.

There were three factors that were brought to the forefront in Nahapiet and Ghosal's (1997) article: time, interaction and interdependence. They state these factors have significant outcomes on social relations. The time factor determines the stability and continuity of a relationship. Trust is highlighted as one of the main outcomes for the continuity of a relationship. When it comes to a prerequisite for growth and preservation of social capital, interaction comes to the vanguard. Within networks that are strong and are reciprocal in nature, it is shown that the cognitive and relational structures of social capital play a bigger role. In terms of the last factor, it is said that due to the structures and nature of organisations, this encourages independence. The practice of specialisation, has created a need for people to exchange resources and information between one another.

Researchers have identified three needs of social media use, which was adapted from Uses and Gratification theory: hedonic needs, SNSs are used to satisfy needs of pleasure and emotion; social needs, create and maintain connections with family, friends and acquaintances; and the need that is most relevant to this study, that of cognitive needs (Ali-Hassan, Nevo & Wade, 2015). Cognitive needs are when SNSs assist in addressing needs of individuals seeking information and knowledge. Ali-Hassan et al. (2015) go onto argue that SNSs is positively linked to the creation of social capital within the work environment. Cognitive use of SNSs assists in the job performance, because it has strong ties to the dimensions of social capital that were mentioned by Tsai and Ghoshal (1998). An interesting argument that was raised by Ali-Hassan et al. (2015) was that hedonic and cognitive needs have a negative relationship with one another. If an entrepreneur is using SNSs for hedonic needs, this will negatively affect the transferring of knowledge.

In a study conducted by Cao, Vogel, Guo, Liu and Gu (2012) it was found that trust can be enhanced between employees in an organisation through the use of SNSs. They state this is important in understanding the use of SNSs for knowledge transfer, because trust is a mediator. Individuals will not create partnerships and share knowledge if there is a lack of trust. Sigfusson and Chetty (2013) state that the web can be used to build trust. With trust being one of the main constructs of relationships, this can assist in strengthening relationships. The researchers also highlight several reasons that can affect trust. They do address it from a perspective of employees within an organisation, but the reason can be adapted to an entrepreneur's outlook. Within organisations and also in industries there is competition, and individuals within each respective area have concerns that their expertise will be lost, because they have transferred the knowledge to other individuals (Cao et al. 2012). The second reason is that of relationship quality. Trust plays a defining role in relationships, and this is especially true in weak-ties. Within weak-ties, there is no emotional bond, so trust forms the proverbial glue (Cao et al. 2012). Cao et al.'s (2012) findings also determined that trust assisted in knowledge transfer of explicit knowledge, but even more so for implicit knowledge. Their findings also concluded that implicit knowledge was a big contributor to performance in the work place. The researchers conclude that the social characteristics of SNSs assist in creating trust that can eventually lead to knowledge transfer. Entrepreneurs need

to embrace SNSs. There might not be immediate transfers of knowledge, but there are possibilities of knowledge transfer once trust has been created between themselves and their connections.

In Portes' article '*Social capital: Its origin and applications in modern sociology*' he brings to the forefront the darker side of social capital and the negative effects that it has on individuals in society. The four negative consequences of social capital are; segregation of outsiders, limits on individual's freedom, additional claims on members, and a group's resistance to change. With regard to the first consequence of social capital these strong connections that bind members have a tendency to exclude new members from joining, these groups can take the form of many types e.g. religious, nationality. The second consequence is that of conformity and a limitation on one's freedom. Portes (1998) states that this is prevalent in close-knit communities, such as villages where all neighbours know one another. Additional claims on members is the third consequence, this is when the groups closed off naturally actually start affecting members' activities in their lives, and this can include the members' business activities. An example of this is "Black-Tax" in the South African black community. This is when business professionals have to support families where they came from. This type of consequence can also lead to 'free-riding' by some less hardworking members within these groups that ride on the achievements of successful members (Portes, 2008). The last consequence mentioned by Portes (2008) takes into account a group's resistance to change. An example he highlighted for this type of consequence is a group's resistance to change and join main stream society. It must also be noted that this group's resistance to change could be externally inflected. Entrepreneurs that have additional claims from members, could be losing resources, such as time and money that could be invested in their firms. This could be affecting the possibilities of social capital creation.

It is said that there are four distinctions of social capital, but they are not mutually exclusive (Putnam, 2002). The first distinction is that they can either be formal or informal, formal being that of religious groups, and informal that of friendships. The second distinction judges the level of the relationship. Putnam (2002) says there are two types, deep and thin relationships. Deep is said to have multi-levels, and thin relationships are said to be precise and limited. The third distinction that is brought to

forward is that whether these social capital networks are looking outward to society or if it focuses itself inward on individuals. Lastly, social capital can create a bond between an homogenous group or create a bridge between heterogeneous groups. Putnam (2002) has stated that social capital can come in many forms, but social capital has been defined as heterogonous due to the fact each form is only suited for certain social scenarios. Unlike other types of capital, social capital cannot solely describe at levels e.g. how much or how little, this is because of its multidimensional nature. The multidimensional nature of social capital can be related to a number of factors, one nature as previously stated that of government, social factors, technological factors, and geographical factors. Putnam (2002) emphasises that this is the norm, changes in the microenvironment have been responsible for the evolution of social capital. The invention of the internet has forced the evolution of social capital. An entrepreneur's networks tend to be more informal, fluid and personal, and are determined by interests.

Social capital can be broken down into two distinct categories; bonding and bridging social capital. The bonding type of social capital is found amongst close-knit communities such as family and friends (Ellison et al. 2007). Bridging social capital, however, is that of "weak-ties", that is a network of loose connections between individuals who provide one another with human capital (knowledge, information, perspectives etc.), but not typically any emotional support that would be usually be found in bonding social capital. Ellison, Vitak, Gray and Lampe (2014) concur that weak ties and bridging ties are essentially one and the same. These weak ties are very important for web-based connections as identified by researchers (Ellison, Steinfeld & Lampe, 2007). It has been highlighted that new forms of social capital will occur on SNSs with regard to these weak-ties, which will allow individuals to create and maintain larger relationships. Portes (1998) goes on to state that the use of these weak ties can be sources of new knowledge and resources. This new information for entrepreneurs is vital to stay competitive amongst their competitors.

Ellison et al. (2014) investigates the relationship between bridging social capital on Facebook and the potential benefits that can be accessed through these connections, and also interactions with the user's entire Facebook network. The latter is not really relevant for this study. Facebook benefits that of bridging social capital, because of the low cost of communication, which allows one to keep in

contact and maintain bonds with larger networks (Ellison et al, 2014). This can be said for most SNSs. Other researchers have also determined the importance of SNSs in the creation of social capital (Cao et al. 2012). The researchers argue it is not good enough to add connections e.g. friend, follow, on a SNS, there needs to be engagement. Behaviours and intentions need to be made clear through communication (which can vary from SNS to SNS) that there is a need of reciprocity. For entrepreneurs this could be access to information. By engaging with these connections, entrepreneurs and other individuals will also have the possibility in accessing other 'Friends' of this connection, that are not mutual connections. This will open the individual to a group of diverse people (Ellison et al, 2014). Engaging with connections' posts have the greatest opportunity in creating bridging social capital, because they can be seen by the connections' audiences. It is argued by engaging in the form of commenting, an individual is investing in the relationship, which is the primary factor in the creation and maintenance of social capital. Entrepreneurs on SNSs need to be engaging with connections, and also make their intentions clear, which will allow them to gain access to the individual's resources. Burke and Kraut (2014) concur and go on to argue that tie strength can be linked to directed and composed communication, but strangely enough ties can be maintained and even made stronger just by passive consumption. Passive consumption is when a user on a SNS does not communicate with a connection, but rather just observes and reads the content that the connection shares on their SNS pages. The strengthening of ties is not immediate, it usually develops over years (Burke & Kraut, 2014).

Researchers state that both bridging and bonding social capital take positive and negative forms regardless, if it is built on SNSs (Brink and Svendsen, 2013). Brink and Svendsen (2013) state that if an entrepreneur attempts to utilise negative bridging or bonding social capital this can have dire effects on their business, because their time is limited already. The opportunity cost that entrepreneurs invest in social capital needs to have a possible return on investment, and it becomes vital that entrepreneurs can identify the differences between negative and positive social capital. It is inevitable that entrepreneurs will lose time that they could be investing into their business to networking. They need to understand what type of social capital will be important and practical for their business, they essentially need the

'feel of the game' as Brink and Svendsen (2013) put it. If the entrepreneur can combine with other heterogeneous entrepreneurs and firms, this can create a very competitive and fruitful relationship that can be difficult for competitors of both respective firms to duplicate. Brink and Svendsen (2013) argue that it is vital to build up a reservoir of social capital that has both bridging and bonding social capital. These reservoirs are known as potential or sleeping social capital, that the entrepreneur can draw upon when needed. Timing becomes a vital factor in utilising the sleeping social capital. Some may be relevant at different times in the entrepreneur's business life cycle, so knowing when to exploit them is a fundamental skill that needs to be developed. It is identified that effectuation is the skill that an entrepreneurs need to develop. It must be emphasised that this be developed over time and is learnt through experience. In this context, it can be defined as the ability to transfer social networks into social capital (Brink & Svendsen, 2013). Emotions and other relational factors are important in creating social capital, but not enough. Entrepreneurs need to have a dynamic, informal and flexible perspective in regards to their sleeping social capital. Brink and Svendsen (2013) argue that when networking is needs driven and has undergone careful consideration and evaluation, there is a better chance for it been successful.

Tan, Zhang and Wang (2014) investigated the bonding-bridging debate amongst researchers. A firm's innovation forms the basis of their study, they observe collective social capital at the network level and how it moderates a firm's individual social capital and its innovation performance. There are two areas that define collective social capital, that of: centrality within a network, which benefits firms that are situated in highly dense networks, compared to low network densities, where network centrality is unevenly distributed. In the former, firms stand to benefit from information flow and access to resources. The other area that defines collective social capital is that of network density. Tan et al. (2014) go on to state that when networks get denser, information benefits decrease. When firms hold positions bridging bridges in sparsely connected networks, they will have access to better information. McEvily and Zaheer (1999) argue that a firm's innovativeness and exposure to new ideas, and information can be directed back to the distinctiveness of their networks, and this affects the competitiveness ability. McEvily and Zaheer (1999) highlight that bridging ties have the greatest impact on a firm's capacity to

acquire competitiveness, and also the support of regional institutions. In Tan, Zhang and Wang's (2015) study they highlight several findings. The first of these findings is that a firm cannot gain superiority in a highly dense network, because most firms within these networks are well connected and active. Another finding found that these dense network's information and resources are redundant. There is a lack of diversified information even firms that are situated within structural hole positions. The last finding that Tan et al. (2014) mention is that a firm's innovation can be stifled within dense networks, because the control behaviours of brokers can be penalised for control information flow. The researchers go on to state that for entrepreneurs, it is vital to assess what type of environment they are in, because structural holes or a central network position could be vital for them, and in some cases both are needed. A structural hole is essentially a possible path for a weak-tie. In a low density network, bridging structural holes and network centrality for an entrepreneur is very important to gain information to assist in innovation. When an entrepreneur is situated in a network of high density, a centrality role does not lead to any benefits. When there are high levels of collective social capital, an individual firm should not look at bridging social capital to fulfil these networks (Tan et al. 2014). Further research has been conducted by Su (2011) of how social network positions influence competitiveness improvement. The researcher states that different roles and positions within a social network leads to different levels of competitiveness improvement. Entrepreneurs will need to assess their type of networks and determine their positions within them. This will allow for strategies to be created to determine what kind of actions need to be created to leverage off their social capital.

Researchers have identified a relationship between social capital and self-esteem, but also how Facebook assists with self-esteem in the creation of bridging social capital and SNSs assist in the maintaining of bridging social capital (Steinfeld et al, 2008). It has been stated how SNSs have created new and innovative channels of how people communicate with one another, and also show the commonalities that people share, e.g. types of industries that they are situated in and job descriptions, and actually alleviates fears of rejection. This has been highlighted to be beneficial to individuals that have low self-esteem. Steinfeld et al. (2008) went on to argue that tools that are most commonly found on SNSs, such as: friend lists, wall posting,

messaging, and tagging, aid in bridging social capital. SNSs will actually support entrepreneurs with low self-confidence in creating social capital, and overcome their fear of rejection.

A study conducted in 2014 shows a positive relationship between bridging social capital and between the number of 'actual' Facebook friends and engagement on the platform (Ellison et al. 2014). Researchers devised the Facebook Relationship Maintenance Behaviours scale to assist in highlighting a number of activities that were identified that Facebook users do that assists in the building of social capital. The areas that were identified were: behaviours e.g. do Facebook users respond to their Facebook friends when asked for advice, frequency e.g. how often do Facebook users reply to questions that are asked by their Facebook friends, and the last area is motivation e.g. do Facebook users enjoy answering questions to help out. Facebook's low cost of assisting in maintaining relationships and communicating is extremely beneficial to large networks of weak ties, but one cannot just befriend many individuals and expect the benefits of social capital. There needs to be a clear and intentional behaviour on the SNSs by the user, engaging with other individuals, before any form of exchange appear. Researchers go on to state that there needs to be attention created, these cues must be created that support relationship maintenance (Ellison et al. 2014). For example, by commenting on a Facebook friend's post, is a very positive signal that a user is investing into the relationship. This form of engagement is more than likely beneficial to the creation of bridging social capital for the user (Ellison et al. 2014), this is because this engagement has a chance of being seen by friends of friends, which opens up a user to another network. It is argued by Joinson (2008) that content gratification, the use of content is used to rather strengthen existing ties, than that of creating new ties and increasing the overall size of an individual's network. He states that the privacy settings of SNSs make it difficult to connect with new users and also other users. This argument needs to be taken into consideration, but it can be acknowledged that this specific study is taking into account individuals that are using SNSs for social interactions, and does not take into account individuals are using SNSs for information or resource exchanges. These networks will grant the user access to diverse groups of individuals that can offer heterogeneous information and resources. As an entrepreneur on SNSs, it is vital to put in time and effort in

constantly managing, grooming and maintaining their networks. By befriending/following an individual on SNSs is the start of the relationship, there needs to be a valiant effort by the user to engage with the individual e.g. answering questions or sharing relevant information to them. It is emphasised yet again that entrepreneurs will need to engage with their social capital to gain any benefits from them.

Bridging social capital can be defined as the entrepreneur or individual's capability in creating and maintaining weak ties (Steinfeld et al, 2008). The term weak ties has become a strong talking point in terms of networks in the last 40 years. Granovetter was one of the first researchers to look into the importance of weak-ties with his article, *'The Strength of Weak Ties'* in 1973. He argued in his paper that interpersonal ties or in other words weak ties, provide the most beneficial micro-macro bridge. Essentially these weak ties are able to transform small-scale interaction into large-scale patterns. In Granovetter's article, the role of such ties is to "bridge" networks, while taking into account networks that have been linked by individuals, and not social networks. Steinfeld et al, (2008) have stated that the high level of "friends" that Facebook users have can be assumed to be a collection of superficial, hollow relationships, but it should not be looked at it that way. Essentially Facebook and other SNSs are a large collection of heterogeneous weak-ties that are able to provide new information.

Many researchers have assessed the importance of trust; Levin, Cross and Abrams (2002) evaluate trust as a mediator in knowledge transfer in weak-ties. In their investigation they highlight two types of trust: benevolence, and competence trust. These can be broken down to the goodwill of the tie and the tie will have the competence to complete any activity discussed. Levin et al. (2002) claim that both types of trust have a significant effect on the delivery of knowledge. Trust exceeds the effects of tie strength. Trust must be an important factor for entrepreneurs when creating ties, to allow for effective knowledge transfer. Both types of trust play a significant role in knowledge transfers, but competence-based trust has the biggest role when it comes to the transferring of tacit knowledge. They go on to state that knowledge that is received from these weak-ties contributed more positively to outcomes of projects, than that of knowledge transferred from strong-ties. It must be emphasised that weak-ties play an immense role in the networks of entrepreneurs

and their firms, but they cannot rule out strong-ties (Levin et al. 2002). A combination of both is vital for the venture and themselves. McEvily and Zaheer (1999) state that these weak-ties do not necessarily have to be made with competitors of an entrepreneur, but they can be made with clients, suppliers, investors, customers and firms in other industries.

It has been emphasised by Tracey and Clark (2003) that a combination of both strong-ties and weak-ties is needed for innovative firms, and if the firm takes a stance of not having any ties at all, they are unlikely to ever gain a strong market position. They go on to argue that entrepreneurs and their firms that are suited in industries that have characteristics of high and uncertainty and rapid changes in technology, should consider more weak-ties. This is due to the rate of innovation that is required in an industry. The more dramatic, the more weak-ties that are needed (Tracey & Clark, 2003). Strong-tied industries are defined by ever increasing commitments to stakeholders and stable decision making. Brink and Svendsen (2013) argue that if entrepreneurs want their business to be innovative they need to embrace creative mixtures of businesses, and go on to state that this type of unconventional bridging social capital/weak-ties can be extremely beneficial to all parties involved and create competitive advantages for each respective firm in their industry.

Granovetter defines the strength of a weak-tie as an amalgamation of four characteristics, those of; amount of time, emotional intensity, the intimacy, and the trade of services that are involved in the tie. He also goes on to state that weak ties are linear (1973). A very interesting point that is raised in '*The Strength of Weak-Ties*' article (Granovetter, 1973) is that individuals that are weakly tied to someone, are more than likely to be involved in different circles and have access to different information. Bakshy and Rosenn (2012), further support Granovetter's statements, that weak-ties use and convey information that they would not have been exposed to otherwise, and therefore create a more diverse spread of information in any particular network. Entrepreneurs with weak ties to other entrepreneurs and individuals will have access to information that would not be accessible through their strong ties and human capital (those of education and experience). A commonality that strong-ties and weak-ties share is that they protect entrepreneurs from opportunism (Sigfusson & Chetty, 2013). Another interesting point highlighted in this

article, is that weak-ties play a role in causing social cohesion. With weak-ties, an entrepreneur will be able to access information, knowledge and forms of social cohesion (Bakshy & Rosenn, 2012). Burke and Kraut's (2013) study identified that communication with weak-ties increased bridging social capital and also access to new information. This is when weak-ties are just viewed, and not engaged with. Engagement with weak-ties is key for any knowledge transfer or other interaction. For entrepreneurs to receive any beneficial information or resource from a connection on SNSs they need to interact with the tie. Essentially the initial connection with a weak-tie cannot guarantee any benefits. It has been highlighted through research that there are regions in the world that are experiencing declines in bridging social weak-ties (Putnam, 2002). One of the factors that have been attributed to this decline is that of cross-class organisations. Another factor is isolation of certain groups within countries, one of the negative aspects of social capital as previously discussed. The withdrawal of these groups from society at large has negative effects for bridging social capital, but creates strong bonding capital.

Weak-ties along with that of structural holes and network diversity were highlighted by Stam, Arzlanian and Elfring (2014) as social capital that have a positive relationship with an entrepreneur's small firm's performance. Bridging capital is a very important attribute to an entrepreneur, but the diversity of the network had the biggest influence to the small firms of entrepreneurs. This can be attributed to the heterogeneous range of information that an entrepreneur will receive from individuals and groups. It has also been suggested that a firm's age plays a role in determining a role in the structure of an entrepreneur's social capital. Strong ties start to play a role in older firms, but yet weak ties can be over-looked by older firms. Stam et al. (2014)'s study highlighted that network sizes play a continuously bigger role in the aging of a business, the older the more vital they are. Another factor that came into question was that of type of industry that these firms and their entrepreneurs were situated in. In uncertain environments e.g. high-tech industries, weak ties were put forward as the type of social capital that had the largest contribution towards the performance of a firm. The heterogeneous range of information that is derived from networks assisted as a firm that was in a rapidly changing and evolving environment. In low tech industries, researchers suggest that weak ties are just as beneficial as strong ties, because the knowledge that is needed to perform tends to be easier

understood and easily transferred (Stam et al. 2014). The macro environment was also taken into consideration when evaluating these ties, it was discovered that in established economies there was a stronger relationship with weak ties. Within emerging markets strong ties were more beneficial. This could be associated with the confidence that individuals have in the government (Brehm and Rahn, 1997) and if they can be protected by the law if any malpractice takes place. This study highlights the importance of social capital, especially weak ties, for entrepreneurs and their firm's performance.

The experiment which was conducted in Bakshy and Rosenn's (2012) article, supports the argument that with weak ties, are fewer mutual contacts, which will allow each individual to gain access to information that is not available to others. It must be emphasised that this does not apply to information that is widely available, but to more exclusive information. For example, Bakshy and Rosenn (2012) reveal, based on their evidence that weak-ties play an imperative role in transferring information, job openings and future strategic plans. It is further argued by Levin, Cross, and Abrams (2002) that weak-ties are inexpensive to maintain and provide a very useful tool for entrepreneurs to have a constant transfer of new knowledge to themselves and the organisation.

There is a trend that researchers have highlighted between entrepreneurs and their online networks. When an entrepreneur has a large online network of weak-ties, they have fewer strong-ties within their businesses. The opposite can be said for entrepreneurs with few online connections. They usually have many strong-ties within their organisation (Sigfusson & Chetty, 2013). Sigfusson and Chetty (2013) evaluate how entrepreneurs create and contact networks on SNSs by categorising them into three types of users: the responder, the opportunist, and the strategist. When assessing a responder, a number of characteristics become clear. They do not proactively seek relationships offline nor online and see many weak-ties as a waste of time. These individuals are well known and experienced within their industries and have a strong focus on strong relationships. An opportunist is an entrepreneur that seeks connections everywhere. He actively seeks connections both online and offline. This individual has not created a name for themselves yet within their industries, but still attempts to create many connections. They seek opportunities through these connections, but often these connections do not have

any substance behind them and cannot offer much. Opportunists are on average the youngest of the three. The last type of SNS entrepreneur identified is that of a strategist. A popular individual that makes use of strong-ties as security against opportunists, but has a large network of weak-ties that he/she regards as a portfolio (Sigfusson & Chetty, 2013). They are recognised within their respective fields, but use a blend of offline and online networks to strengthen their identity. Unlike using contacts for opportunities, they use contacts to develop their business. Sigfusson and Chetty (2013) highlight that entrepreneurs that are at the helm of newly created firms were more likely to be active in attempting to create connections, and less likely to contemplate long term relationship building, and can typically be defined as opportunists. When assessing Generation Y entrepreneurs the assumption can be made that they use SNSs to create weak-ties, because they are likely to be running newly formed businesses. They could be considered as opportunists, who will be actively seeking to create new connections.

H1: SNSs are used by Generation Y entrepreneurs to maintain weak ties.

H2: SNSs are used by Generation Y entrepreneurs to create weak ties.

Inkpen and Tsang (2005) highlight three network types that aid in the transferring of knowledge: intercorporate networks, industrial district, and strategic alliances. The selection of these networks is based on the reason they are the most common, and they have been included and also have been the centre of many studies. Intra-corporate networks can be defined as a group of organisations e.g. departments, operating within a unified entity (Inkpen & Tsang, 2005). Industrial district takes into account a group of individual entities that operate within the same industry and within the same geographical location (Inkpen & Tsang, 2005). The focus of this study is on strategic alliances. Strategic alliances are either heterogeneous or homogenous entities that enter into alliances with one another to achieve an objective. This objective can be the development of new products, services or processes (Inkpen & Tsang, 2005). These networks discussed can be made up of both strong and weak-ties. Inkpen and Tsang (2005) adopt Nahapiet and Ghoshal's (1998) three dimensions of social capital (structural, cognitive, and relational, as discussed before) to comprehend how knowledge flows from one entity to another, but also to understand how social capital aids in the movement of knowledge. When one

assesses strategic alliances alone through a structural dimension, members within each respective firm become the determining factor of whether two alliances will enter into an alliance. When an alliance is formed there is no party that is in charge, each respective party is equal. It is free of hierarchies. Alliances are not stable networks, unlike those of intra-corporate networks. When entering into an alliance, parties understand that there are very high rates of instability. Inkpen and Tsang's (2005) cognitive perspective of strategic alliances state that it is very seldom that alliances have common goals, but they usually are compatible with one another though. The cultural aspect of the cognitive dimension highlights there are cultural clashes, but also that of compromise and acceptance. Trust forms the main aspect of the relational dimension. Inkpen and Tsang (2005) highlight there is risk of an entity taking an opportunist position, and using the alliance for other motives.

Gauging strategic alliances through social capital dimensions but taking into account conditions facilitating knowledge transfer, creates a clearer picture in understanding how strategic alliance are beneficial for entrepreneurs and their firms. A network configuration of strategic alliances gives entrepreneurs the ability to share observations and experiences with one another. There are four types of strategic alliances highlighted by Inkpen and Tsang (2005) that assist in knowledge transfer: technology connections, strategic integration, personnel transfers and alliance-parent interaction. When network stability is taken into account with strategic alliances, there needs to be a non-competitive approach taken by all parties involved. The more competitive knowledge transfer is, the more unstable the alliance will become. The alliance will develop into a power struggle between the alliance partners and who can learn quicker and over control of the alliance. From a cognitive dimension perspective, conditions for knowledge transfer within a strategic alliance need two characteristics, goal clarity and cultural diversity amongst the alliance parties. Shared goals or vision as Inkpen and Tsang (2005) mention, allows for a mutual understanding between the alliances, which makes for smoother information transfer. But there needs to be an understanding, and accommodating of each firm's culture, if not, the transferring of knowledge can cause conflicts. Tracey and Clark (2003) identified a number of areas where conflict can arise: the manipulation of information from one alliance partner to another, hostility and lack of trust between alliances, and the reluctance to co-operate with one another. Goals, objectives,

values, and cultures can be factors with mentioned areas of conflict. Knowledge in a relational dimension is dependent on the trust that the alliances have in each other. This trust can be damaged by the opportunism and the uncertainty of the future, but the latter can be overcome once the alliances become more trusting towards each other, and the fear of opportunism is phased out.

Researchers state that entrepreneurs that operate within complex and dynamic environments with blurred boundaries are heavily influenced by social, economic, and political factors, and these actors within the environments are encouraged to take action that either assist them to overcome or help them to adapt to these factors (Tracey & Clark, 2003). Degrees of control over these factors can be created through alliances. These alliances can be created between an entrepreneur and a number of different sources, such as: suppliers, customers, competitors, government and public institutions, and universities. These social interactions can involve a whole number of entities, it does not have to be between two of them. Tracey and Clark (2003) do state these alliances structures used to be very formal in nature, but they are starting to take a more informal approach. Instead of these alliances relying on contracts to enforce terms and conditions, they are relying more on trust.

Rottman (2008) states that the idea of a common understanding of the outcome of co-operation, will form the basis for any strategic alliance between parties. A strategic alliance can form anywhere, irrespective of where the markets, geographic locations or value chain firms fall in (Inkpen & Tsang, 2005). It is actually stated by researchers that international networks of alliances may create an essential source of innovation and new ideas (Tracey & Clark, 2003), and also allow entrepreneurs and entities to implement new and diverse practices that originated in other geographical areas. Fundamentally, a strategic alliance is one of the three network types, the others being intercorporate networks and industrial districts (Rottman, 2008). Social capital is the idea that these networks can be used to exchange resources and knowledge, whereby work is completed and value is created (Rottman, 2008). Fundamentally, social capital is the underlying framework that networks like strategic alliances are built on.

Vardarajan and Cunningham (1995) have stated that strategic alliances fall within two domains, namely; distinct corporate entity and distinct inter-organisational entity.

There are a number of differences between the two. Primarily the main difference is that a distinct corporate entity strategic alliance is where both parties that have entered into an alliances hold an equity position, while, a distinct inter-organisational entity is where both parties share skills and resources with another for projects such as joint product development team. Distinct inter-organisational entity is a non-equity venture, such as a product development team. But the underlying factor that they two types of strategic alliances have in common is that they bring two parties together so that resources and skills can be exchanged. Vardarajan and Cunningham, (2001) basically state, the end result of pursuing a strategic alliance would be to take advantage of any opportunity to increase sales and/or profit. Tracey and Clark (2003) go on to state regardless of what type of alliance is chosen, if the entities that are involved in the alliances want to be competitive, the construction and formulation of the alliances needs to be flexible.

There have been attempts by researchers to investigate factors that determine collaborative alliances amongst entrepreneurs. Franco and Haase (2013) explored suspected factors and concluded that their model only partially explained the factors that lead to collaboration amongst entrepreneurs. Their study is still relevant, because it highlights what types of resources are more conducive for collaboration, and it also investigates what entrepreneurial dimensions encourage entrepreneurial alliances. Concerning resources, entrepreneurial collaboration is more likely when an alliances have a greater availability of financial resources, but it cannot be said for that of physical resources e.g. equipment. Franco and Haase (2013) state when there is a firm with an abundance of physical resources, they are less likely to partake in alliances. In terms of intangible resources, in this case commercial and administrative knowledge, are more than likely to assist in the creation of entrepreneurial alliances, but surprisingly other intangible resources, such as experience, do not play a role. Franco and Haase (2013) argue not all of EO's dimensions are beneficial to entrepreneurial alliance creation, which could answer the previous argument between Brouthers et al. (2014) and Baker et al. (2015). Risk-taking is negatively associated to collaboration, and proactiveness has no significant effect. Innovativeness on the other hand, is extremely beneficial to alliance creation. This highlights another possible factor that can determine whether or not entrepreneurs use weak-ties on SNSs to create strategic alliances. This just adds to

the unpredictable nature of entrepreneurship. Axelrod (1984) argues that entrepreneurs and organisations co-operate within strategic alliances for one determining factor: payoff structures, which occur when the payoff of the activity will be higher than that of if they went on their own. When the payoff favours that of going alone, then entrepreneurs tend to ignore the alliances (Hennart 1988). A factor that tends to spur on strategic alliances is that of risk and vulnerability. Entrepreneurs that are creating a new venture are bound to encounter this, especially when they are situated in a difficult market or if the venture is expensive and risky (Eisenhardt & Schoonhoven, 1996). Alliances have become more relevant in today's business environment because of their presumed ability to increase both learning and innovation (Tracey & Clark, 2003).

Innovation is an integral part of an entrepreneur, and has been recognised by researchers that it forms a pillar of entrepreneurial orientation. Hohberger, Almeida, and Parada (2015) investigate the roles of strategic alliances and individual scientific collaborations on a firm's direction of innovation. They highlight three collaborative mechanisms that have ties with knowledge acquisition and innovation: external individual scientific collaborations, R&D alliances, and internal scientific publications. They analysed these collaborations in the biotechnology industry, which is an environment that is dynamic with uncertain technological environments and has a strong emphasis on innovation. They highlight firms that are situated within industries that have fairly stable technological environments along with an innovative emphasis are more likely to benefit from R&D alliances and internal collaborations. Hohberger, Almeida, and Parada (2015) state that these types of collaborations do not focus on emerging innovations, but have assisted in augmenting current innovation capacity. These collaborations are excellent methods of knowledge transfer, but due to the nature of innovation and its unpredictability, it changes. Knowledge essentially becomes outdated. Regards to that of internal scientific publications give the respective firm knowledge about various innovation directions from a range on external sources. These sources are more than likely aligned to the firm's current way of thinking and practices. It has to be said that this study was done in one of the most innovative environments, that of biotechnology.

Jamali, Yianni and Abdallah (2011) evaluated strategic alliances and social capital role in the creation of innovation. They look at alliances in terms of a corporate social

responsibility context. When assessing these types of alliances, one can argue there are very significant differences between CSR alliances and business alliances, but it must be noted that the principles that form the basis of alliances can be a blueprint to any type of alliance. Essentially when parties enter into an alliance, they do it to ensure they utilise their resources more effectively and to learn. The researchers highlight that organisations in an alliance that desire to be innovative and successful need to leverage off their inter-reliant relationships (Jamali et al, 2011). It must be made clear that there needs to be a strategic fit, and transparent intentions of all parties involved, and when these elements are fulfilled innovation is created organically. The alliances that shared common characteristics like risk taking, experimenting with new ideas, transparency of objectives, and expectations of one another, had higher degrees of innovation. It must also be said that innovation can be created when there is a possibility for a competitive advantage or actual tangible benefits for the parties involved in the alliance to gain. The underlying factor that Jamali et al. (2011) emphasise that forms the foundation for an innovative alliance, is communication. Regular interactions and openness increased commitment from all the parties involved in the alliance. Once again, engagement is brought into the equation. Entrepreneurs will need to understand the fundamentals of an alliance before one can be entered into.

Brouthers, Nakos, and Dimitratos (2014) go on evaluate a firm's entrepreneurial orientation capabilities and the creation of research or marketing alliances to assist in entering into foreign markets. When the capabilities of a firm is sufficient enough, both types of alliances become advantageous, but research alliances even more so with SMEs that have a strong focus on R&D. research alliances have knowledge of customer needs and wants, so they know what types of products and services are needed. Marketing alliances add value as well, in terms of assisting SMEs legitimisation. The researchers clarified another beneficial trait that alliances have on an SME, that along with providing additional resources/capabilities to the firm's repertoire, it also enriches its current resources/capabilities (Brouthers et al. 2014). The researchers do emphasize that SMEs with low entrepreneurship orientation can benefit from these alliances as well, the SMEs with the high EO capabilities have the most to gain. It fundamentally comes down to the higher the EO capability, the easier it is for the SME to obtain and efficiently exploit resources. Baker, Grinstein, and

Harmancioglu (2015) differ in their argument that firms with low level of EO, stand to gain even more from international alliances. They debate that firms with high levels of EO, have less need for social capital and information. Baker et al. (2015) do go on to emphasise that external networks are still important for firms with high EO. They also stated that generally firms with less EO, were more likely to benefit from external networks. The researchers delve deeper into network utilisation than just assessing data and interpreted information transfer, but evaluate the importing of ideas, insights gained and also perspectives that have created from the transferring of information. External alliances will assist in innovation, but it will not assist a very conservative firm to become an innovation leader. Baker et al. (2015) also go on to state that SMEs are more than likely to have low levels of EO, so these firms will disproportionately gain benefit from external networks, than compared to those of large firms with more resources or less conservativeness. The benefits that firms with low EO will gain from external networks will assist them with innovative outcomes, because they will gain abilities to confidently be able to identify, endorse, and pursue trends within their market, but also technological trends, and opportunities (Baker et al. 2015). Innovation is key to able to compete within all markets, but not all firms are able to create an environment that is conducive for entrepreneurial orientation. A key insight that is articulated from their research is that regardless if a firm has high or low levels of EO, they need to focus on two mechanisms that assist in both transfer creation and knowledge transfer: marketing information processing and a commitment to learn. This has highlighted even though a firm might have been created by entrepreneur, there is no clear indication that it is high in EO and can compete by itself against bigger firms. This highlights the need of alliances for SMEs to become innovative and to compete on level playing fields. It is said by other researcher's that a firms size is a key moderating effect in the benefits of alliances. A small firm's performance is more likely to benefit from an alliance than that of a large firm (Sarkar, Echambadi, & Harrison, 2001).

Alliances can happen amongst most types of firms. Yang, Zheng and Zhao (2014) explore alliances between small firms and large firms, and if an exploration or an exploitation strategic alliance can assist a small firm in managing their alliance with larger firms. There is a significant difference between exploration and exploitation. From an exploration perspective, a large firm's tacit and diverse knowledge becomes

accessible to small firms, but the small firm's tacit and diverse knowledge becomes accessible to the large firm as well. Exploration alliances with large firms run high risks of misuse and also small firms are not able to administer activities with these larger firms, which are usually very complex and unpredictable. Exploitation alliances, a small firm gains access to the resources of a large firm to assist in the commercialising of their product, service or technology. These complementary resources are things such as marketing and manufacturing. Yang et al. (2014)'s results highlight that each respective alliances has its own impact on entrepreneurs and small firms. It is said that these types of alliances need to be governed with formal structures, such as equity-based structures. By having a formal structure, this will assist in enhancing the value of the alliances to the small firm. Researchers state in general an entrepreneur with a small firm can benefit more from an exploitation alliance. There is less risk of larger firms using their sizes to dictate proceedings.

Social mechanisms and their structural antecedents, Capaldo (2014) takes into account the factors that form social structures. There are five factors that are identified that influence social structures: macroculture, concern for reputation, personal relationships, trust, and reciprocity. Macroculture takes into account the holistic environment and the assumptions, values and agreements that are dictated and emphasised by society (Capaldo, 2014). Concern for reputation, play a big factor in dictating social structures. One's name is essential in business dealings, activities such as fair dealings, reciprocity of knowledge, and the use of gained knowledge through alliances, can determine one's reputation within an industry. Personal relationships, this is in relation to individuals that are members of each respective firm that is involved in the alliance. They act in capacity for both firm and themselves in a personal ways. Economic interests with the firms become intertwined with that of emotional feelings, intellectual inclinations and cultural motives of the individuals. This is especially prevalent with small and family run firms (Capaldo, 2014). Trust arises once again in social networks. It takes two forms with regard to alliances: one's conviction in the other party's competence, and one's conviction in the goodwill and fairness of the other party (Capaldo, 2014). The last factor is that of reciprocity, this could be said is the reason for many social connections.

Sarkar, Echambadi, and Harrison (2001) go on to emphasise the benefits of alliances that entrepreneurs will receive when they are pursued. The researchers state that their study has provided them with evidence of new skills that are learned and taking advantage of complementary resources of alliance partners creates opportunities which are vital for an entrepreneur's firm performance. It is said that proactiveness is a key factor in alliances. When an entrepreneur is proactive and ventures out to increase the number of partners that are associated with his/her firm, this will equip the individual with skills that will assist them with selecting alliances with partners that have more to offer and will add more benefits to firm. Sarkar et al. (2001) stressed the importance of alliances in competitive environments. When environments are dictated by unstable customer preferences and an increase in heterogeneity among customer segments, having the skillset of being alliance proactive will create greater value for both the firm and the entrepreneur. There is a process behind creating and attaining alliances, it cannot be a spur of the moment decision. Resources need to be assigned to the sole purpose of creating these alliances (Sarkar et al. 2001). There are several tools that are used by proactive firms that promote alliances; manuals in the procedures of creating alliances, alliance training, research on alliances within the firm, managers that solely focus on alliances, and business plans with the solitary focus on alliances. Entrepreneurs need to have a clear focus on alliance creation if there is any possibility of these partnerships happening, but also there might not be a current need for an alliance due to the business environment that their business is situated in. If entrepreneurs do enter into an alliance and commit to it, Tracey and Clark (2003) claim that there are five types of benefits that can entrepreneurs can expect from alliances: access to information, knowledge and experience; improved linkages and cooperation; quicker and easier responses; a reduction in exchange costs and risk; and improved trust and civic participation. Capaldo (2014) explores the benefits of alliances as well, but with a deeper emphasis on knowledge creation. He says that knowledge benefits of a relationship, is made up of four components: information sharing, knowledge transfer, in-house knowledge development and knowledge co-production. Information sharing is simply the sharing of heterogeneous information between firms, this can range from trends to technological advances, and even strategic moves of competitors (Capaldo, 2014). Knowledge transfer has to do with knowledge that assists another party in satisfying specific needs. This knowledge is

tacit and usually learnt through the process of trial and error. The third benefit is that of in-house knowledge development. This is knowledge that is formed when knowledge is created within each firm to respond to specific needs of an alliance (Capaldo, 2014). The last benefit is that of knowledge co-production, this is tacit and/or explicit knowledge that is created between the firms that are involved in the alliance. This knowledge possibly could be unplanned and was derived through the joint workings of these firms (Capaldo, 2014).

For entrepreneurs and new businesses going alone is a daunting task, high costs in product development and equipment, limited time and risks are considered to be part and parcel when going at it alone (Ring, 2000). Those undesirable implications make alliances a lot more appealing to entrepreneurs, but there are several considerations that entrepreneurs need to take into account when considering alliances. As previously mentioned by Brink and Svendsen (2013), there has to be needs driven requirement for the alliance. This is essential for a sound strategy to be created for the alliance (Ring, 2000). The second consideration was also reiterated by Brink and Svendsen (2013) that entrepreneurs need to take into consideration each potential alliance partner and how much value they will be able to add to their business and how competent they are as well (Ring, 2000). This is the effectuation skill that was mentioned. The third consideration is that a concerted effort from both parties needs to be taken to ensure the durability and sustainability of the alliance from the first day of working together. The quality of the alliance will determine if it makes it through harsh times. Ring (2000) says that there is not a right and a wrong way in managing an alliance, entrepreneurs need to be dynamic and flexible enough to adapt and improvise is the last consideration. The researcher says that entrepreneurs need to address three elements that will assist them taking into account all the above mentioned considerations, these are: task, team and time; Tasks, formulating their objectives for the alliance; Teams, each respective firm needs be transparent with their objectives for the alliance and needs to find communality with one another; Time, a date needs to be set so the involved parties can reconvene and evaluate how well the alliance is working.

There have been three properties highlighted by researchers that determine a number of alliances that a firm will engage with: propensity to network, strength of ties, and prestige of network members (BarNir & Smith, 2002). The first property,

propensity to network, takes into account an entrepreneur's inclination to create and maintain contacts that have derived from business and personal activities. If an entrepreneur on a SNS has no inclination to create or maintain a connection with a tie, it is obvious that nothing will come from it. Strength of ties assesses the intensity and reciprocity that entrepreneurs have with their personal networks, and the strength of these ties will play a determining role in both social and economic support. The final property is simply the status of the individual that can be interpreted in one of two ways; information that is received from individuals that have a high-status is more accurate and reliable, or the affiliation with the high-status individual (BarNir and Smith, 2002). Each of these factors will have an effect on whether or not an entrepreneur will create strategic alliances on SNSs, but most of all the initial factor will have the biggest influence.

Vardarajan and Cunningham (2001) have established a number of characteristics that motivates individuals/firms entering into a strategic alliance. These items that lead an individual or firm to pursue a strategic alliances fall into one of eight categories being; market entry and market position-related motives, product-related motives, product/market-related motives, market structure modification-related motives, market entry timing-related motives, resources use efficiency-related motives, resource extension and risk reduction related motives and skills enhancement-related motives. Todeva and Knoke (2005) have assessed motives for strategic alliances and established that it can be divided into four main categories, rather than eight categories; Organisational (learning or competence building), Economic (market cost and risk related), Strategic (competition shaping, pre-emption or product and technology related) and Political (market development).

The economic type of alliances is when elements such as cost and risk are shared amongst the parties that have entered into an alliance. Costs are shared and also resources are pooled to reduce risk and also to diversify the risk. Other beneficial factors in this alliance would be for economies of scale and co-specialisation (Todeva & Knoke, 2005).

H3: SNS's are used by Generation Y entrepreneurs to create economic alliances.

Organisational alliances refer to an alliance that is entered into in order to gain knowledge, but also that of tacit knowledge and also learning new skills. This

knowledge and skill will be able to address and improve a number of organisational duties such as; distribution, performance and management (Todeva & Knoke, 2005).

H4: SNS's are used by Generation Y entrepreneurs to create organisational alliances.

Strategic alliances come with a number of advantages for an organisation/individual. They can access opportunities such as expanding into new businesses, new technology and R&D. Another factor would be working with potential competitors and essentially prevent competition (Todeva & Knoke, 2005).

H5: SNS's are used by Generation Y entrepreneurs to create strategic alliances.

Political alliances refer to alliances that allows for the bypassing of legal and regulatory barriers, but also developing market/technical standards (Todeva & Knoke, 2005). It must be noted that a strategic alliance can be made up of more than one of the types of strategic alliances listed.

H6: SNS's are used by Generation Y entrepreneurs to create political alliances.

It has been clearly highlighted that weak-ties can be used for the diffusion of information, and that SNS's can be used as a tool to assist in the transferring of knowledge. Weak-ties' ability of introducing new ideas and perspectives as well, has cemented their importance in strategic alliances (Tracey & Clark, 2003). However, there still remains little clarity with regard to entrepreneurs using SNS's to create or maintain weak ties and form strategic alliances from those weak-ties, and become a platform for the transferring of information and other resources.

H7: Weak-ties on SNS's are used to create economic alliances.

H8: Weak-ties on SNS's are used to create organisational alliances.

H9: Weak-ties on SNS's are used to create strategic alliances.

H10: Weak-ties on SNS's are used to create political alliances.

2.4 Conclusion of Literature Review

Generation Y have mastered the online world, they have been brought up with It and have turned it into the ultimate tool for communication. With SNSs, Generation Y have created a way to network with any individual that has a device that can log on

to the World Wide Web. With the ease of networking and the amount of studies that show that social capital can be created through online portals, they not only assist with bring individuals with diverse backgrounds together but also have become one of the dominant channels in the diffusion of information. When one takes into account weak ties and the diffusion of information, it becomes apparent that individuals/entrepreneurs have access to very diverse information that would not have been accessible through their strong ties. When these weak-ties have been created amongst entrepreneurs and also amongst organisations on SNSs, it could become clear that there may well be areas of interest that both parties can benefit off one another. It has been determined by researchers that these connections assist the performance of small firms and that entrepreneurs need to make it a priority to create and maintain these connections. A number of different motives have highlighted; economical, organisational, political and strategic alliances. There is substantial evidence that one could assume that entrepreneurs are using SNSs to create strategic alliances, but there have not been any academic studies to prove this.

2.5 Hypotheses

Do Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create strategic alliances, and if so, what type strategic alliances are been created?

H1: SNSs are used by Generation Y entrepreneurs to maintain weak ties.

H2: SNSs are used by Generation Y entrepreneurs to create weak ties.

H3: SNS's are used by Generation Y entrepreneurs to create economic alliances.

H4: SNS's are used by Generation Y entrepreneurs to create organisational alliances.

H5: SNS's are used by Generation Y entrepreneurs to create strategic alliances.

H6: SNS's are used by Generation Y entrepreneurs to create political alliances.

H7: Weak-ties on SNS's are used to create economic alliances.

H8: Weak-ties on SNS's are used to create organisational alliances.

H9: Weak-ties on SNS's are used to create strategic alliances.

H10: Weak-ties on SNS's are used to create political alliances.

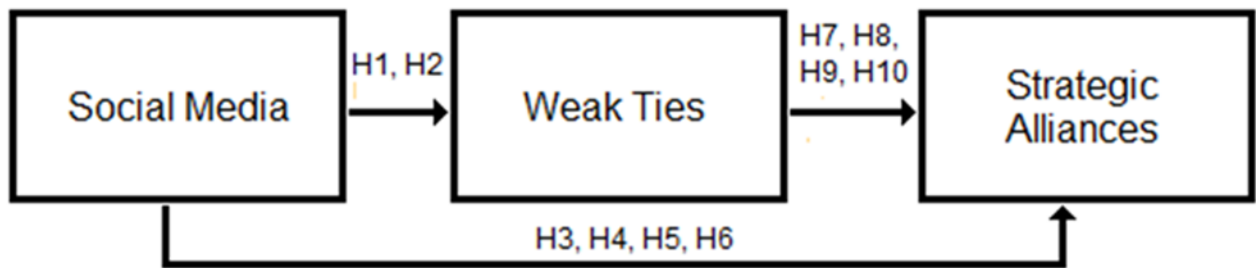


Figure 2 - Conceptual model for the research project

Chapter 3 - Research Methodology

3.1 Research Approach

The research approach is quantitative. The research takes on a positivist paradigm, because of the nature of quantitative research. Essentially the researcher is looking at the world through a one way window as Healy and Perry state (2000, in Krauss, 2005) because of the actual data and the way it is analysed, this is because the researcher has no influence on outcome of results. It is described by Krauss (2005) as being value-free.

Ontology is made up of two aspects; nature of “being”/nature of the world and reality (Carson, Gilmore, Perry, and Gronhaug, 2001). Taken the ontology into account in regards to a positivism approach, there is a clear access to the world and single external reality as emphasised by Carson, Gilmore, and Gronhaug (2001). They also go onto define epistemology and its characteristics; it is fundamentally the relationship between reality and research. With positivism, it is possible for the researcher to acquire secure objective knowledge, whereby the research will take on a generalisation and abstraction form and all judgements will be directed by the hypotheses and theories.

The positivist approach can simply be viewed as the focus on the description and explanation. There are a number of features that make up the positivist approach, as explained by Carson, Gilmore, and Gronhaug (2001). The researcher is detached from the research and does not play any role in experiencing what they are researching compared to a researcher that would be taking an interpretivist approach. The research is focused on the external reality, separate reason and feeling and always seek a rational and logical approach. Facts and thoughts are separated and also that of science and personal experiences.

The methods that are used are primary data that were conducted and collected by the researcher but also secondary data. The primary data were self-administered surveys that asked subjects a series of questions. When these surveys were completed and collected, they were evaluated by forms of statistical analysis.

3.2 Research Design

By taking a positivist quantitative approach, hypotheses are specific and the collection of data will decide if the hypotheses are true or false. To assist with this, surveys were used to capture the data, as previously stated. These surveys had scaled questions that identified respondents' feelings towards each question from never to all of the time, very ineffective to very effective and so on. These surveys were created on the Qualtrics software platform, which has been supplied by the Wits Business School.

The surveys that were used to conduct the research are cross-sectional. They are able to measure a number of variables at one point in time with a sample that intentionally becomes the generalisation of the population at large (Babbie, 1990).

3.3 Population and Sample

3.3.1 Population

The population had a number of characteristics that defined it. The defining characteristics are, entrepreneurs between the ages of 18 and 35, living in Johannesburg and who are currently running their own business (irrespective of whether it is a non-profit organisation or not).

In the 2014, the Global Entrepreneurship Monitor South Africa Report highlighted the following about the percentage of the South African population that are active in the entrepreneurship;

- New business ownership rates – 3.2%
- Total Early-stage Entrepreneurial Activity (TEA) – 7%
- Established business ownership rate – 2.7%

These three categories of entrepreneurs were focused on because these areas of interest show the commitment of the entrepreneur and also that there is a fairly stable business involved that can utilise strategic alliances. Also they have been around for a fair amount of time, so there could be a substantial amount of strategic alliance activity in play.

According to Statistics South Africa's mid-year population estimates (2015), the population size of individuals between the ages of 20 – 34 is 14,842,193. There is a

small discrepancy between this number and the actual number because it does not take into account the following ages; 18 and 19. This is due to the fact that there is a separate age group from 15 – 19. There are a total of 5,124,373 people that fall within this age bracket. If one works out the mean of this age group, it will assist in a more accurate assumption of Generation Y in South Africa. When this age group is divided by five, it is equal to 1,024,875. If this is multiplied by two, it equals 2,049,750. There is an assumption made here that there is an even distribution within this age group. The assumption needs to be made because there are no other figures that can be used to determine the population size of 19 year olds. When this is added onto the 14,842,193, a total population of 16,891,943 is accounted for with respect to Generation Y.

By adding the types of entrepreneurs' percentages together, one gets a total percentage of 12.9% of the South African population that is involved with the entrepreneurial activities previously discussed. 12.9% of 16,891,943 is 2,179,061. This number of 2,179,061 is an estimate of the population size of individuals that are involved in entrepreneurial activities between the ages of 18 and 34. This number is not a suitable population size indicator yet, because it takes into account two types of entrepreneurs; opportunity driven and necessity driven.

The difference between these two types of entrepreneurs is that opportunity driven entrepreneurs are entrepreneurs that create a venture to exploit an opportunity, compared to that of a necessity driven entrepreneur who creates a business to assist in making "ends meet" e.g. hawkers at traffic lights. The GEM report estimates in 2014 that 70,9% of entrepreneurial activity was opportunity-driven, which is 1,544,954 of the population between the ages of 18 and 34. The reason that opportunity-driven entrepreneurs were chosen for this research project, is that they seek independence and an increase in income through entrepreneurship. The assumption can be made that these entrepreneurs would partake in strategic alliances to grow their businesses.

In *'Digital, Social & Mobile'* in 2015 by Simon Kemp (2015), which is a collection of global digital statistics, the report underscores that there is a total number of 11.8 million active social media accounts in South Africa. Kemp goes on to state that when comparing the first figure of 11.8 million active social media accounts to the

population of South Africa, it highlights that 22% of South Africa's population is active on social media. When assessing the total population of opportunity-driven entrepreneurs of 1,544,954, one can estimate that 22% of them are active on social media. This is a total number of 339,890 opportunity-driven entrepreneurs that are active on social media in South Africa. This population size is what this research project has estimated at 339,890.

3.3.2 Sample

With regard to the sample size, factor analysis was used to determine the sample size for this research report. If one takes into account the number of scales that are in the survey (26) and the number of items per scale (5). A total number of 130 respondents were contacted to complete the surveys.

Simple random sampling was used for this study. A list of entrepreneurs was created, using the researcher's social capital on social media. The researcher reached out to all his connections that have been created using social media, which was done by creating posts and tweets stating what is required. SNS's connections were also asked to provide the researcher with names and contact details of their connections that are entrepreneurs and that fill the criteria of being between 18 and 34. An additional method was used to assist in the creation of the list, being that of Facebook and Twitter advertising. By creating adverts on the mentioned platforms, the researcher was able to access a larger number of SNSs users compared to that of just his/her own SNSs' connections. This assisted in a wider catchment of entrepreneurs. A list of 200 entrepreneurs was created that are accessible through SNSs. Entrepreneurs were randomly selected from this list and contacted.

3.4 Research instrument

The researcher instrument was created online on Qualtrics as previous stated. In terms of the makeup of the survey it consists of Likert scales, these scales was used to measure the subject's opinion on the topic. A number was attached to each rating that allowed for the creation of averages and also other analysis of data techniques. Please see Appendix A for a copy of a survey that was used. To ensure that all measurements were answered with transparency, the respondents remained anonymous. The survey that was used to collect the data contained questions that were forthright and took a maximum of 10 minutes to be completed.

The survey for this study was created by using an existing research instrument that has been used in past studies. The first section of this study's research instrument is made up of "Bridging social capital scale" found in The Benefits of Facebook "Friends:" Social Capital and College Students' Use of Online Social Network Site article by Ellison, Steinfield, and Lampe (2007). The "Bridging Social Capital Scale", show a very high relationship between Bridging Social Capital and social media use Cronbach's alpha = 0.87. This assisted in identifying if entrepreneurs are using social media to create and maintain "weak-ties".

The second section of this study's research instrument included the Strategic Motivation for Alliance Formation extracted from Strategic Motives for International Alliance Formation (Glaister & Buckley, 1996). There were no Cronbach alphas given to test the reliability of the survey, but Glaister and Buckley's (1996) did have substantial literature to back up their selections for the motives for international alliance formation. A concern is that this article was written in 1996 and has an international outlook, which is why a number of Todeva and Knoke's (2005) motives were included in the survey. It was included to make the survey more relevant to the period. This part of the research instrument was also grouped into the four different sections as mentioned by Todeva and Knoke (2005); Organisational, Economic, Strategic and Political. This allowed for easier identification of what type of strategic alliances were favoured by entrepreneurs using SNSs.

3.5 Data Analysis

The analysis of data was accomplished with the use of SPSS Statistics. SPSS Statistics software assisted in analytics and intelligence. The data were grouped in their respective groups e.g. weak-ties, and the different forms of strategic alliances, and those averaged scores from the Likert scales that were obtained from the groups was used to test the relationships between one another.

Hypothesis testing was used to assess the results of creation weak-ties, maintenance of weak-ties and also each type of strategic alliance. This gave the research report a clear perspective on the probability of either rejecting or accepting the null hypothesis. These results assisted in confirming H1 – H6.

When assessing H7 – H10, the statistical analysis based on regression was used. The dependent variable was organisational, economical, strategic and political

alliances, while the independent variable was the average score reflecting the propensity of SNS's to maintain weak-ties and SNS's to create weak-ties. This assisted in establishing if there is a relationship between weak-ties and alliances.

Descriptive statistics was used to determine what types of alliances were common amongst Generation Y entrepreneurs in Johannesburg.

3.6 Validity and Reliability of Research Design

Quantitative research is stated by Morse, Barret, Mayan, Olson and Spiers (2002) to have that of a rationalistic paradigm, which needs paradigm-specific criteria for addressing rigour. For quantitative/rationalistic research, the paradigm needs to meet a number of criteria; internal validity, external validity, and reliability.

In addressing internal validity, one assesses how well the actual research project has been conducted and also how the dependant variable (alliances) is affected by that of the independent variable (creation and maintenance of weak-ties), and that there are no additional variables that are influencing the results (Huitt, Hummel, & Kaeck, 1999). A number of correlations were implemented to test the relationship between the interdependent and dependant variables. With this, the researcher was able to predict the accuracy of the surveys. Huitt, Hummel, and Kaeck (1999) propose that random selection will have higher results of external validity then that of research that does not follow the process of randomisation. This research project therefore has a reduced external validity due to the nature of the selection of the subjects.

For reliability, the Cronbach Alpha was used to test the correlation coefficient of data. The data that was tested, was derived from the pilot study that was conducted prior to the actual research. This allowed the researcher to determine the reliability of the study and also the survey going forward.

3.7 Limitations of the study

The limitation that had the most notable affect is that the study is of cross-sectional research in nature because of the data being collected at one point in time. Due to the nature of this research project and its restrictions, it was not able to evaluate the study over a period of time, which would highlight if SNSs assisted Generation Y entrepreneurs to build sound alliances that become long-term relationships. That

would indicate that weak-ties and alliances created on social network sites have a positive contribution towards entrepreneurship and new venture creation.

A limitation that had an influential role in the actual collection of data, was the access to the entrepreneurs. With regard to approaching entrepreneurs on SNSs and without any personal contact, this occasionally lead to a negative outcome, because they did not have any desire to complete a survey due to the fact they did not know the researcher or had no monetary incentive to do so.

Chapter 4 – Presentation of results

4.1 Introduction

There are six major constructs that assisted in the analysis of the data, namely that of: Maintain Weak Ties, Create Weak Ties, Create Organisational Alliances, Create Organisational Alliances, Create Strategic Alliances, and Create Political Alliances. The main analysis of this research report focused on the relationship between the creation and maintenance of weak-ties of Generation Y, and those of economic, organisational, strategic and political alliances on SNSs. It also brought to the forefront the type of alliance that is more than likely to be created. Secondly, the analysis identified Generation Y's usage of SNSs as either being to create or main weak-ties, and also if they are creating alliances using these platforms.

4.2 Sample Demographics

The sample was made up of 130 entrepreneurs in the Johannesburg area. 76% of these were female entrepreneurs and 24% were male.

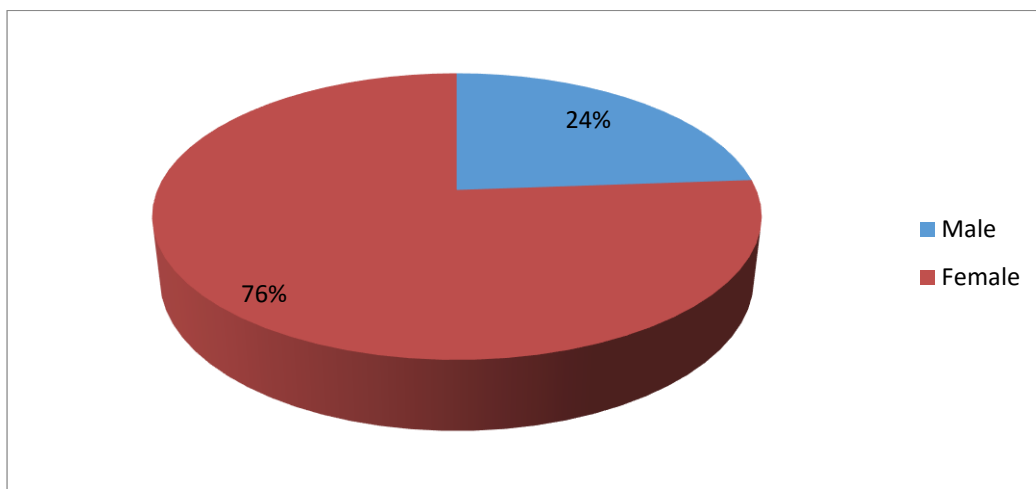


Figure 3 - Respondent Gender

The age of the entrepreneurs in the sample ranged from 19 years to 35 years of age. The average age was 27.42 ± 4.042 years. These statistics are shown in table 2.

Table 1: Age of respondents

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Age	130	19	35	27.42	4.042

The age distribution is illustrated below;



Figure 4 - Age distribution

It can be noted from the age distribution histogram above that the highest proportion of entrepreneurs was 25 years old.

Measurement scale

There were six constructs. The first construct was, 'Create Weak Ties'. Items were measured using a 5-point Likert scale, which ranged from 1 for "never" and 5 for "all of the time". The scales that were used for this construct were connecting with people from the same industry, similar industry and also connecting with people from different industries.

The second construct was 'Maintain Weak Ties', which was measured using 2 scales: "existing business connections" and "business dealing" connections.

The other constructs were 'economic alliances' (8-scales), 'organisational alliances' (3-scales), 'strategic alliances' (8-scales), and lastly 'political alliances' (2-scales). Each scale under the alliance section in the survey fell into one of the four constructs. Each of them made up their respective alliance construct. This is highlighted on page 34.

Reliability of scale

Cronbach's Alpha was used to assess the internal consistency (reliability) of the each of the six multi-item constructs. The Cronbach's Alpha values normally ranges between 0 and 1. A value close to 1 is an indication of high reliability and a value close to 0 signifies poor reliability. If the Cronbach's Alpha is greater than 0.7, then there is very good reliability and items within the scale can be grouped together to form a summated scale. The results for reliability are shown in the table below;

Table 2: Reliability of scale

	item	Cronbach's Alpha
Maintain Weak Ties	Business Dealings	0.750
	Existing Business Connections	
Create Weak Ties	Same Industry	0.819
	Similar Industries	
	Different Industries	
Create Economic Alliances	Gain Presence	0.923
	Gain Faster Entry to Market	
	Facilitate International Expansion	
	Maintain Market Position	
	Create Economies of Scale	
	Share The Risk Of a Large Project	
	Create Co-specialisation	
	Assist In Restructuring	
Create Organisational Alliances	Acquire Means Of Distribution	0.856
	Legitimise My Business	
	Learn And internalise Tacit Collective And Embedded Skills	
Create Strategic Alliances	Compete Against A Common Competitor	0.915
	Exchange Complementary Technology	
	Create Product Diversification	

	Share R and D costs	
	Exchange Patents And Territories	
	Diversifying Into New Businesses	
	Reduce Competition	
	Gain Access To New Technologies	
Create Political Alliances	Conform And Apply With Foreign Government Policy	0.849
	Overcome Legal And Regulatory Barriers	

The reliability results revealed that 'Create economic alliances' (0.923) had the highest internal consistency followed by 'Create Strategic alliances' (0.915), 'Create Organisational alliances' (0.856), 'Create Political alliances' (0.849), 'Create Weak Ties' (0.819), and 'Maintain Weak Ties' (0.750). All the constructs had values greater than 0.7, which means that there was very good reliability in the items measuring each scale. This implies that the items within each scale could be grouped together to form a summated scale for that construct.

Summated scale

The summated scale for each construct was computed by calculating the average of the items within each construct. The descriptive statistics for the six constructs are presented in the table below;

Table 3: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Maintain Weak Ties	130	1.0	5.0	3.47	0.998
Create Weak Ties	130	1.0	5.0	3.15	0.940
Create Organisational Alliances	130	1.0	4.7	2.45	1.109
Create Economic Alliances	130	1.0	4.4	2.23	0.884
Create Strategic Alliances	130	1.0	4.1	2.09	0.855
Create Political Alliances	130	1.0	5.0	1.70	0.875

The highest rated construct was maintain weak ties (mean = 3.47 ± 0.998) followed by create weak ties (mean = 3.15 ± 0.940), Create Organisational Alliances (mean =

2.45 \pm 1.109), Create Economic Alliances (mean = 2.23 \pm 0.884), Create Strategic Alliances (mean = 2.09 \pm 0.855). The lowest rated was Create Political Alliances (mean = 1.70 \pm 0.875).

4.3 Hypothesis 1: SNSs are used by Generation Y entrepreneurs to maintain weak ties

A one sample t-test was used to assess the hypothesis. The average rating of the construct 'Maintain weak ties' was compared to the mid-point of the scale (3). The null and alternative hypotheses are;

Null hypothesis (H0): SNSs are not used by Generation Y entrepreneurs to maintain weak ties ($\mu \leq 3$).

Alternative hypothesis (H1: SNSs are used by Generation Y entrepreneurs to maintain weak ties ($\mu > 3$).

The test was conducted at the 5% significance level. A one tailed p-value of less than 0.05 is an indication of a statistically significant usage of SNSs by Generation Y entrepreneurs to maintain weak ties while a value greater than 0.05 indicates that SNSs are not used by Generation Y entrepreneurs to maintain weak ties.

Table 4: One sample t-test for Maintain Weak Ties

One-Sample Statistics					One-Sample Test against the mid-point of the scale (3)		
	N	Mean	Std. Deviation	Std. Error Mean	t	df	P-value (1-tailed)
Maintain Weak Ties	130	3.47	0.998	0.088	5.315	129	0.000

The results shows that the mean value for "Maintain Weak Ties" (3.47 ± 0.998) was significantly higher than the mid-point of the scale (p-value = 0.000) since the p-value is less than 0.05. This means that the null hypothesis is rejected in favour of the alternative hypothesis. Thus, it is concluded that SNSs are used by Generation Y entrepreneurs to maintain weak ties.

4.4 Hypothesis 2: SNSs are used by Generation Y entrepreneurs to create weak ties

A one sample t-test was used to assess the hypothesis. The average rating of the construct 'create weak ties' was compared to the mid-point of the scale (3). The null and alternative hypotheses are;

Null hypothesis (H0): SNSs are not used by Generation Y entrepreneurs to create weak ties ($\mu \leq 3$).

Alternative hypothesis (H1: SNSs are used by Generation Y entrepreneurs to create weak ties ($\mu > 3$).

The test was conducted at the 5% significance level. A one tailed p-value of p-value of less than 0.05 is an indication of a significant usage of SNSs by Generation Y entrepreneurs to create weak ties while a value greater than 0.05 indicates that SNSs are not used by Generation Y entrepreneurs to create weak ties. The results are shown below;

Table 5: One sample t-test for create weak ties

One-Sample Statistics					One-Sample Test against the mid-point of the scale (3)		
	N	Mean	Std. Deviation	Std. Error Mean	t	df	P-value (1-tailed)
Create Weak Ties	130	3.15	0.940	0.082	1.804	129	0.037

It can be noted from the results that the mean value for 'Create Weak Ties' (3.15 ± 0.940) was significantly higher than the mid-point of the scale (p-value = 0.037) since the p-value is less than 0.05. This means that the null hypothesis is rejected in favour of the alternative hypothesis. Thus, it is concluded that SNSs are used by Generation Y entrepreneurs to Create Weak Ties.

4.5 Hypothesis 3: SNS's are used by Generation Y entrepreneurs to create economic alliances

A one sample t-test was used to assess the hypothesis. The average rating of the construct 'economic alliances' was compared to the mid-point of the scale (3). The null and alternative hypotheses are;

Null hypothesis (H0): SNSs are not used by Generation Y entrepreneurs to create economic alliances ($\mu \leq 3$).

Alternative hypothesis (H1): SNSs are used by Generation Y entrepreneurs to create economic alliances ($\mu > 3$).

The t-test was conducted at the 5% significance level. A one tailed p-value of p-value of less than 0.05 is an indication of a significant usage of SNSs by Generation Y entrepreneurs create economic alliances while on the other hand a value greater than 0.05 indicates that SNSs are not used by Generation Y entrepreneurs create economic alliances.

Table 6: One sample t-test for create economic alliances

One-Sample Statistics					One-Sample Test against the mid-point of the scale (3)		
	N	Mean	Std. Deviation	Std. Error Mean	t	df	P-value (1-tailed)
Economic alliances	130	2.23	0.884	0.078	-9.923	129	1.000

The mean rating of Economic alliances (2.23 ± 0.884) was lower than the mid-point of the scale and the p-value of the t-test (p-value = 1.000) is greater than 0.05. This means that the null hypothesis is not rejected. It is therefore concluded that SNSs are not used by Generation Y entrepreneurs to create economic alliances.

4.6 Hypothesis 4: SNS's are used by Generation Y entrepreneurs to create organisational alliances

A one sample t-test was also used to assess the hypothesis. The average rating of the construct 'Create organisational alliances' was compared to the mid-point of the scale (3). The null and alternative hypotheses are;

Null hypothesis (H0): SNS's are not used by Generation Y entrepreneurs to create organisational alliances ($\mu \leq 3$).

Alternative hypothesis (H1): SNS's are used by Generation Y entrepreneurs to create organisational alliances. ($\mu > 3$).

The test was conducted at the 5% significance level. A one tailed p-value of p-value of less than 0.05 will lead to the rejection of the null hypothesis. The results are shown below;

Table 7: One sample t-test for create organisational alliances

One-Sample Statistics					One-Sample Test against the mid-point of the scale (3)		
	N	Mean	Std. Deviation	Std. Error Mean	t	df	P-value (1-tailed)
Organisational	130	2.45	1.109	0.097	-5.692	129	1.000

Create organisational alliances had a mean rating of 2.45 ± 1.109) was lower than the mid-point of the scale (3) and the p-value of the t-test (p-value = 1.000) is greater than 0.05. This means that the null hypothesis is not rejected. It is therefore concluded that SNS's are not used by Generation Y entrepreneurs to create organisational alliances.

4.7 Hypothesis 5: SNS's are used by Generation Y entrepreneurs to create strategic alliances

A one sample t-test was also used to assess the hypothesis. The average rating of the construct 'Maintain weak ties' was compared to the mid-point of the scale (3). The null and alternative hypotheses are;

Null hypothesis (H0): SNSs are not used by Generation Y entrepreneurs to create strategic alliances ($\mu \leq 3$).

Alternative hypothesis (H1: SNSs are used by Generation Y entrepreneurs to create strategic alliances ($\mu > 3$).

The test was conducted at the 5% significance level. A one tailed p-value of less than 0.05 is an indication of a significant usage of SNSs by Generation Y entrepreneurs to create strategic alliances while a p-value greater than 0.05 indicates that SNSs are not used by Generation Y entrepreneurs to create strategic alliances.

Table 8: One sample t-test for create strategic

One-Sample Statistics					One-Sample Test against the mid-point of the scale (3)		
	N	Mean	Std. Deviation	Std. Error Mean	t	df	P-value (1-tailed)
Create strategic alliances	130	2.09	0.855	0.075	-12.175	129	1.000

The mean rating for Create strategic alliances (2.09 ± 0.855) was lower than the mid-point of the scale and the p-value of the t-test (p-value = 1.000) is greater than 0.05. This means that the null hypothesis is not rejected. It is therefore concluded that SNSs are not used by Generation Y entrepreneurs to create strategic alliances.

4.8 Hypothesis 6: SNS's are used by Generation Y entrepreneurs to create political alliances

A One sample t-test was used to assess the hypothesis. The average rating of the construct 'create political alliances' was compared to the mid-point of the scale (3). The null and alternative hypotheses are;

Null hypothesis (H0): SNS's are not used by Generation Y entrepreneurs to create political alliances. ($\mu \leq 3$).

Alternative hypothesis (H1: SNS's are used by Generation Y entrepreneurs to create political alliances. ($\mu > 3$).

The test was conducted at the 5% significance level. A one tailed p-value of less than 0.05 is an indication of usage of SNSs by Generation Y entrepreneurs to create political alliances while a value greater than 0.05 indicates that SNSs are not used by Generation Y entrepreneurs to create political alliances.

Table 9: One sample t-test for create political alliances

One-Sample Statistics					One-Sample Test against the mid-point of the scale (3)		
	N	Mean	Std. Deviation	Std. Error Mean	t	df	P-value (1-tailed)
Create political alliances	130	1.70	0.875	0.077	-16.937	129	1.000

The mean rating for create political alliances (1.70 ± 0.875) was lower than the mid-point of the scale and the p-value of the t-test (p-value = 1.000) is greater than 0.05. This means that the null hypothesis is not rejected. It is therefore concluded that SNSs are not used by Generation Y entrepreneurs to create political alliances.

4.9 Hypothesis 7: Weak-ties on SNS's are used to create economic alliances

To test this hypothesis a multiple regression model was fitted with 'Maintain Weak Ties' and 'Create Weak Ties' as independent variables and 'Create economic alliance' as the dependent variable.

Economic alliances = 0.307 + 0.044 (Maintain Weak Ties) + 0.562 (Create Weak Ties)

The results are shown below;

Table 10: Model Summary Weak ties against economic alliances

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.638 ^a	.407	.398	.686
a. Predictors: (Constant), Create Weak Ties, Maintain Weak Ties				

The model summary shows that 'Maintain Weak Ties' and 'Create Weak Ties' explains 40.7% of variation in 'Create economic alliances' since the r-square = 0.407.

Table 11: Coefficients Table Weak ties against economic alliances

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.307	.226		1.357	.177		
	Maintain Weak Ties	.044	.099	.050	.444	.658	.374	2.677
	Create Weak Ties	.562	.105	.598	5.347	.000	.374	2.677
a. Dependent Variable: Economic								

The significance of the overall model is shown below. The hypotheses are that;

Null hypothesis (H0): Weak-ties on SNS's are not used to create economic alliances (all Beta (β s) are equal to zero).

Alternative hypothesis (H1: Weak-ties on SNS's are used to create economic alliances (at least one β is not equal to zero).

Table 12: ANOVA table for weak ties against economic alliances

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.054	2	20.527	43.564	.000 ^b
	Residual	59.841	127	.471		
	Total	100.895	129			
a. Dependent Variable: Economic						
b. Predictors: (Constant), Create Weak Ties, Maintain Weak Ties						

The p-value of the F-test in the ANOVA Table (p-value = 0.000) is less than 0.05. This means that the null hypothesis is rejected in favour of the alternative hypothesis. This means that at least one Beta is not equal to zero or that at least one of 'Maintain Weak Ties' and 'Create Weak Ties' is a significant contributor to the prediction of 'Create economic alliances'.

Thus, it is concluded that Weak-ties on SNS's are used to create economic alliances. The coefficients table below presents results indicating which of the two variables of weak-ties is significant.

The coefficients shows that 'Create Weak Ties' (Beta = 0.562, Standardised beta = 0.598, p-value = 0.000) is a significant contributor to the prediction of 'Create economic alliances' since the p-value is less than 0.05. On the other hand 'Maintain Weak Ties' (Beta = 0.044, Standardised beta = 0.050, p-value = 0.658) is not significant in predicting 'Create economic alliances'.

4.10 Hypothesis 8: Weak-ties on SNS's are used to create organisational alliances

To test this hypothesis a multiple regression model was also fitted with 'Maintain Weak Ties' and 'Create Weak Ties' as independent variables and 'create organisational alliances' as the dependent variable.

Organisational alliances = $-0.032 + 0.169 (\text{Maintain Weak Ties}) + 0.601 (\text{Create Weak Ties})$

The results are shown below;

Table 13: Model Summary Weak ties against organisational alliances

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.636 ^a	.405	.396	.8625012
a. Predictors: (Constant), Create Weak Ties, Maintain Weak Ties				

The model summary shows that 'Maintain Weak Ties' and 'Create Weak Ties' explains 40.5% of variation in 'Create organisational alliances' since the r-square = 0.405.

Table 14: Coefficients Table Weak ties against organisational alliances

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.032	.284		-.112	.911		
	Maintain Weak Ties	.169	.124	.152	1.361	.176	.374	2.677
	Create Weak Ties	.601	.132	.509	4.544	.000	.374	2.677
a. Dependent Variable: Organisational								

The significance of the overall model is shown below. The hypotheses are that;

Null hypothesis (H0): Weak-ties on SNS's are not used to create organisational alliances (all Beta (β s) are equal to zero).

Alternative hypothesis (H1: Weak-ties on SNS's are used to create organisational alliances (at least one β is not equal to zero).

Table 15: ANOVA table for weak ties against organisational alliances

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	64.313	2	32.157	43.227	.000 ^b
	Residual	94.476	127	.744		
	Total	158.790	129			
a. Dependent Variable: Organisational						
b. Predictors: (Constant), Create Weak Ties, Maintain Weak Ties						

The p-value of the F-test in the ANOVA Table (p-value = 0.000) is less than 0.05. This means that the null hypothesis is rejected in favour of the alternative hypothesis. This means that at least one Beta is not equal to zero or that at least one of 'Maintain Weak Ties' and 'Create Weak Ties' is a significant contributor to the prediction of 'Create organisational alliances'.

Thus, it is concluded that Weak-ties on SNS's are used to create organisational alliances. The coefficients table below presents results indicating which of the two variables of weak-ties is significant.

The coefficients shows that 'Create Weak Ties' (Beta = 0.601, Standardised beta = 0.509, p-value = 0.000) is a significant contributor to the prediction of 'Create organisational alliances' since the p-value is less than 0.05. On the other hand 'Maintain Weak Ties' (Beta = 0.169, Standardised beta = 0.152, p-value = 0.176) is not significant in predicting 'Create organisational alliances'.

4. 11 Hypothesis 9: Weak-ties on SNS's are used to create strategic alliances

To test this hypothesis multiple regression model was also fitted with 'Maintain Weak Ties' and 'Create Weak Ties' as independent variables and 'create strategic alliances' as the dependent variable.

Strategic alliances = 0.383 + 0.025 (Maintain Weak Ties) + 0.514 (Create Weak Ties)

The results are shown below;

Table 16: Model Summary Weak ties against strategic alliances

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.589 ^a	.346	.336	.696267
a. Predictors: (Constant), Create Weak Ties, Maintain Weak Ties				

The model summary shows that 'Maintain Weak Ties' and 'Create Weak Ties' explains 34.6% of variation in 'Create strategic alliances' since the r-square = 0.346.

Table 17: Coefficients table Weak ties against strategic alliances

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.383	.229		1.669	.097		
	Maintain Weak Ties	.025	.100	.029	.249	.804	.374	2.677
	Create Weak Ties	.514	.107	.565	4.816	.000	.374	2.677
a. Dependent Variable: Strategic								

The significance of the overall model is shown below. The hypotheses are that;

Null hypothesis (H0): Weak-ties on SNS's are not used to create strategic alliances (all Beta (β s) are equal to zero).

Alternative hypothesis (H1: Weak-ties on SNS's are used to create strategic alliances (at least one β is not equal to zero).

Table 18: ANOVA table for weak ties against strategic alliances

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.640	2	16.320	33.664	.000 ^b
	Residual	61.568	127	.485		
	Total	94.208	129			
a. Dependent Variable: Strategic						
b. Predictors: (Constant), Create Weak Ties, Maintain Weak Ties						

The p-value of the F-test in the ANOVA Table (p-value = 0.000) is less than 0.05. This means that the null hypothesis is rejected in favour of the alternative hypothesis. This means that at least one Beta is not equal to zero or that at least one of 'Maintain Weak Ties' and 'Create Weak Ties' is a significant contributor to the prediction of 'Create strategic alliances'.

Thus, it is concluded that Weak-ties on SNS's are used to create strategic alliances. The coefficients table below presents results indicating which of the two variables of weak-ties is significant.

The coefficients shows that 'Create Weak Ties' (Beta = 0.514, Standardised beta = 0.565, p-value = 0.000) is a significant contributor to the prediction of 'Create strategic alliances' since the p-value is less than 0.05. On the other hand 'Maintain Weak Ties' (Beta = 0.025, Standardised beta = 0.029, p-value = 0.804) is not significant in predicting 'Create strategic alliances'.

4.12 Hypothesis 10: Weak-ties on SNS's are used to create political alliances

To test this hypothesis multiple regression model was also fitted with 'Maintain Weak Ties' and 'Create Weak Ties' as independent variables and 'create political alliances' as the dependent variable.

The results are shown below;

Table 19: Model Summary Weak ties against political alliances

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.330 ^a	.109	.095	.8326
a. Predictors: (Constant), Create Weak Ties, Maintain Weak Ties				

The model summary shows that 'Maintain Weak Ties' and 'Create Weak Ties' explains 10.9% of variation in 'Create political alliances' since the r-square = 0.109.

Table 20: Coefficients table Weak ties against create political alliances

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.818	.274		2.980	.003		
	Maintain Weak Ties	-.085	.120	-.097	-.706	.482	.374	2.677
	Create Weak Ties	.374	.128	.401	2.928	.004	.374	2.677
a. Dependent Variable: Political								

The significance of the overall model is shown below. The hypotheses are that;

Null hypothesis (H0): Weak-ties on SNS's are not used to create political alliances (all Beta (β s) are equal to zero).

Alternative hypothesis (H1: Weak-ties on SNS's are used to create political alliances (at least one β is not equal to zero).

Table 21: ANOVA table for weak ties against political alliances

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.764	2	5.382	7.764	.001 ^b
	Residual	88.036	127	.693		
	Total	98.800	129			
a. Dependent Variable: Political						
b. Predictors: (Constant), Create Weak Ties, Maintain Weak Ties						

The p-value of the F-test in the ANOVA Table (p-value = 0.000) is less than 0.05. This means that the null hypothesis is rejected in favour of the alternative hypothesis. This means that at least one Beta is not equal to zero or that at least one of 'Maintain Weak Ties' and 'Create Weak Ties' is a significant contributor to the prediction of 'Create political alliances'.

Thus, it is concluded that Weak-ties on SNS's are used to create political alliances. The coefficients table below presents results indicating which of the two variables of weak-ties is significant.

The coefficients shows that 'Create Weak Ties' (Beta = 0.374, Standardised beta = 0.401, p-value = 0.004) is a significant contributor to the prediction of 'Create political alliances' since the p-value is less than 0.05. On the other hand 'Maintain Weak Ties' (Beta = -0.085, Standardised beta = -0.097, p-value = 0.482) is not significant in predicting 'Create political alliances'.

4.13 Summary of the results

The results of the study highlighted that there is a substantial skew in the results when taking a gender perspective. The majority of respondents were female, totalling 76% of the sample of 130. The consistency (reliability) of the major constructs were tested. All the constructs had values greater than 0.7, which meant that there was very good reliability in the items measuring each scale. There is a clear indication that SNSs are used by Generation Y entrepreneurs to both create weak-ties and also to maintain weak-ties. The maintenance of weak-ties is more prevalent amongst Generation Y entrepreneurs, than that of creation of weak-ties. Therefore hypotheses 1 and 2 are accepted. When assessing H3 – H6, the null hypothesis is not rejected. Economic, organisational, strategic and political alliances are not created using SNSs. Hypotheses 7 – 10 contribute towards the study by determining which types of weak-ties (creation or maintenance) aid to alliances creation on SNSs. It has come to the fore that weak-ties that are created on SNSs by Generation Y entrepreneurs are more likely to end up in the creation of all four alliances, than those of weak-ties maintained on SNSs. It was also revealed that the type of alliance that was most commonly formed with the creation of weak-ties is that of organisational alliances followed by economic alliances. This became clear in the multiple regression testing (H7 – H10). This does highlight that there is potential in SNSs for entrepreneurs to create alliances, and some are already doing it. Possible variables that could have an effect on the creation of alliance amongst Generation Y entrepreneurs, but were not taken into account in this research report, is that of experience and also level of education. The mentioned variables could have a role in determining how entrepreneurs create alliances on SNSs. With regard to assessing age as a control variable, this was not taken into account because of the reason that this research report was evaluating Generation Y holistically.

Chapter 5 - Discussion of results

5.1 Introduction

Weak-ties are commonly used by Generation Y entrepreneurs in Johannesburg on SNSs. They seem to favour the maintenance of weak-ties, as this seems to be a common trait amongst the sampled entrepreneurs. The creation of weak-ties still plays a role in their usage, however. When alliances are evaluated, SNSs are not the ideal platforms for alliance creation from a Generation Y entrepreneur's perspective. It was identified that alliance creation using SNSs were not common. One however, cannot rule out alliance creation, as Generation Y entrepreneurs are still creating alliances. The types of alliances that are more favoured, are organisational and economic alliances, while political alliances are not favoured by entrepreneurs. Weak-ties created on SNSs cannot be ruled out completely. It seems to play a significant role in alliance creation, compared to maintenance of weak-ties. The results showed a clear indication that there is more of a significant relationship with the creation of weak-ties and alliances, than that of maintenance of weak-ties and alliances creation.

5.2 Demographic profile of respondents

The majority of the respondents were female. This could have an influence on the results on the outcome of alliances created. Women might not be as inclined to make alliances, which in turn could have skewed the results. Another factor that was brought up by Brandtzaeg (2012), in his/her research was that females use SNSs a lot more than males, but yet focus more on creating strong online bonds. This could have the possibility of skewing the results in terms of displaying a lower average of creation and maintenance of weak-ties than what actually exists amongst Generation Y entrepreneurs. This could be a basis for future research.

5.3 Discussion pertaining to Hypothesis 1 and 2

First of all, there is a clear indication that these entrepreneurs are using SNSs, there was not one respondent that stated that they "never" used SNSs to connect with weak-ties. This relates to Cabral's (2011) work that SNSs are used by most Generation Y members. Cabral's (2011) also has the same discrepancies with their respondents, that the majority of them were female. It was highlighted in the

research of Ellison, Steinfeld and Lampe (2007) that weak-ties will occur on SNSs, and they will form in abundance. Steinfeld et al, (2008) agrees with this statement and goes on to state that the amount of connections may seem superficial, hollow relationships, but they are actually a group of heterogeneous individuals that are able to provide a whole abundance of resources. SNSs allow an individual/entrepreneur to manage a bigger network using these platforms. It is clear that Generation Y entrepreneurs are creating and maintaining networks of weak-ties. But there is more of a trend in using SNSs to maintain weak-ties than that of creating weak-ties. This trend was emphasised by Boyd and Ellison (2008). They initially stated that SNSs are not necessarily there to connect individuals to strangers, but to assist individuals maintain connections with their extended circles. This was further emphasised by Ellison, Steinfeld and Lampe (2007). They mentioned that SNSs are there to keep in contact with offline-connections, like individuals that entrepreneurs have had business dealings with. There is a counterargument made by Steinfeld et al, (2008), who says that bridging social capital levels are increased when using SNSs, rather than to maintain existing social capital levels. But the averages highlighted in the results chapter determine that even though these entrepreneurs are creating alliances it is not exactly a regular occurrence. Both the 'creation' and 'maintenance' of weak-ties are closer to the "Sometimes" option in the survey, than to the "Often" option. This type of social capital does not seem like a priority to Generation Y.

If entrepreneurs understood that the probability of success increased when they increased their social capital, this probably would assist in a changing of mind-sets that social capital is understood to be like any other capital that needs investment. The often repeated phrase "It is not what you know, but who you know", especially on SNSs has become very apparent. Entrepreneurs do not seem to understand the importance of social capital, and that online social capital can lead to offline social capital and vice versa (Kobayashi, Ikeda & Miyata, 2006). These individuals need to be encouraged to create social capital online, and understand the importance of it. Education could be a channel that can be utilised to assist entrepreneurs and other professionals in exploiting SNSs potential in creating weak-ties and also emphasising the significance of this capital. This can also assist in educating

students on the best practices of SNSs, especially in light of what has happened on SNSs in South Africa in early 2016.

Kobayashi, Ikeda and Miyata (2006) did highlight that online social capital is determined by two dimensions, those of trust and reciprocity. Entrepreneurs could still be tentative in trusting individuals that they have met online. This could be a massive deterrent in creating social capital with SNSs. This could be an opportunity for an SNS platform to be created that determines the credibility and intentions of individuals and their business, and creates an environment that is safe for entrepreneurs to meet one another and create alliances. Perhaps the current SNSs are not suitable for entrepreneurs to engage in accessing one another without fear of malpractices, and other illegal activities. Trust is a factor that comes to the forefront in several articles, but it also takes into account the macro environment. If individuals have confidence in their government and how the country is being run, this can increase the trust and increase participation in communities (Brehm & Rahn, 1997).

Time is a resource that is extremely finite. An entrepreneur needs to focus all their time in their business to ensure that every department, employee, equipment is functioning at its best, so trying to develop weak-ties on SNSs could possibly be quite time consuming. As mentioned this SNS platform that takes into account the trust and safety of entrepreneurs, can also be created in a simplistic way to assist the entrepreneur in creating and maintain weak-ties in easy manner. It can identify connections that are relevant to the entrepreneur and their business, and highlight these to the individual. This will assist the entrepreneur in creating weak-ties in a manner that is quicker, so they can focus on the other aspects of their businesses.

5.4 Discussion pertaining to Hypothesis 3, 4, 5 and 6

It was made clear in the results that Generation Y entrepreneurs do not use SNSs to create alliances. Several factors can be related back to what was mentioned in the discussion pertaining to Hypothesis 1 and 2, such as trust and education. Another factor that could determine the influence that SNSs have alliances creation is that of motive (Shah, Kwak, & Holbert, 2001). The creation of any type of social capital is dependent on an individual's motive when they use the internet. If an entrepreneur is purely using a SNS for socialising, the likelihood of it forming any connections that

can form into alliances is low. They will need to approach SNSs with an attitude that it is a platform where they can meet potential alliances. Yet again, it comes back to their understanding of SNSs, where education could make a difference. It also has been mentioned by researchers that the type of industry that an entrepreneur's firm in will have a factor in alliances creation (Stam, Arzlanian & Elfring, 2014). For instance in industries that are very uncertain and ever changing, weak-ties alliances are extremely beneficial. When assessing businesses in stable environments and more commonly low-tech environments, weak-tie and strong-tie alliances are equally beneficial. Entrepreneurs within in low-tech industries could be weary of creating alliances on SNSs, which the opposite could be said for entrepreneurs in high-tech industries.

An entrepreneur goes through three phases when he/she are establishing a business, these stages are; motivation phase, planning phase and establishment phase (Greve & Salaff, 2003). The key insight that is derived from this is that different types of social capital are utilised at each stage. For instance during the motivation phase, entrepreneurs are more likely to discuss ideas with close ties. A number of Generation Y entrepreneurs could be at this stage of their businesses, because of their ages. This could explain the lack of weak-ties maintenance and creation, and also the lack of alliance creation on SNSs. The stage of an entrepreneur's business would be vital to make an assuring assumption. Motives for alliances are also dependent on needs, according to researchers such as Svendsen (2013). If there are no needs for alliances, it is less likely they will be created. There is another argument that these Generation Y entrepreneurs have no needs for alliances. According to this, it is unlikely due to the very nature of an entrepreneur as mentioned.

When assessing South Africa's society holistically, it highlights another possibility that can affect the creation of alliances. Heterogeneous societies such as South Africa can actually have a negative effect on trust and civic participation (Knack & Keefer 2001). Trust comes up again as a determining factor in social capital. An assumption can be made due to South Africa's past and also the number of different cultures and languages within the country, this could have an effect on the amount alliances that are pursued by entrepreneurs. They will have less trust in heterogeneous groups and revert to staying within their own homogenous groups.

The SNS platform that were mentioned could assist in overcoming this heterogeneous obstruction and encourage more cross cultural, interracial and other similar forms of participation.

South Africa's economy cannot be compared to the economies of first world countries. It is noted by researchers that there is a trend within established economies that there seems to be more businesses and entrepreneurs engaging with weak-ties to conduct business activities e.g. creating alliances (Brehm & Rahn, 1997). This could be also related to developed countries having strong legal systems to protect businesses against malpractices, and also people having more confidence in their governments (as previously discussed). Within regard to developing countries, there is more of a trend to engage in business practices with strong-ties.

An activity that assists in creating trust is that of interaction. Engaging with one another is a vital for the growth and maintenance of social capital, but also being active on SNSs is essential for opportunity creation and different forms of exchanges (Ellison, Vitak, Gray & Lampe, 2014; Burke & Kraut, 2014; Brandtzaeg, 2012; Kobayashi, Ikeda & Miyata, 2006; Nahapiet & Ghosal, 1997). Entrepreneurs must be educated to understand that it is just not enough to 'friend' or follow individuals on SNSs to create alliances. They must also engage with them and highlight their intentions. This will assist in creating opportunities and potential alliances for the entrepreneur and their businesses. Being digitally uneducated is becoming a reality, and there is a divide forming between individuals who know how to leverage off SNSs and those that do not. Once again, education comes up as an element that can promote efficient and effective SNS use for entrepreneurs.

The entrepreneurial spirit is not an attitude nor is a mind-set that an individual is born with, it is something that is created overtime. Experience is a form of human capital that is influential in an entrepreneur's business career. This experience is known as effectuation (Svendsen, 2013). This type of skill assists entrepreneurs in utilising social capital at the correct times in their business lifecycles. The low use of alliances amongst Generation Y entrepreneurs could possibly be due to their inexperience, and are still developing this skill. Entrepreneurs need to also understand that alliances need constant time and effort to develop. It has been stated by a number of researchers that designated resources need to be put towards alliances to create

and maintain them (Sarkar, et al., 2001). Once again entrepreneurs need to be educated on this, but also on the possible tools that can be utilised towards this, such as: managers that solely focus on alliances, business plans that solely focus on alliances, or alliance training.

Even though it was highlighted in the results that alliance creation on SNSs is not necessarily common on SNSs, but this does not mean they are not being created on a small scale. It was identified that a number of alliances are favoured by Generation Y entrepreneurs. The most favoured type of alliance creation is that of organisational alliances. Organisational alliances has a very popular benefit is the reason for many alliances, that of learning and internalising tacit collective and embedded skills. It should come as no surprise that this type of alliance is the most common of the alliances. Other elements of this alliance are still vital to a business, such as, the legitimising of an entrepreneur's business, and also acquiring distribution channels that can assist in getting a product to a broader geographical location. The second most favoured type of alliance was that of economic alliances. There are a number of activities that form economic alliance that can be extremely beneficial to an entrepreneurial business. Gaining faster entry to market can save the entrepreneur and their business a great deal of time and money. Another three essentials that make economic alliances attractive, are to create co-specialisation, create economies of scale, and share the risk of a large project, which can only be beneficial to an entrepreneur. The other two types of alliances, strategic and political, were not as popular amongst Generation Y entrepreneurs. Strategic alliances involve a number of features that businesses could be wary to give out without any protection from the law and government, and possibly without a strong-tie to another business or entrepreneur. These features are exchanging complementary technology, and exchange patents and territories. These types of advantages are what businesses strive for years to create, and will more than likely share these trade secrets with alliances that have a sound foundation of trust.

5.5 Discussion pertaining to Hypothesis 7, 8, 9 and 10

It was identified that when it comes to alliance creation and weak-ties, there is a trend in the creation of weak-ties and alliances. Generation Y entrepreneurs seem to be making alliances on SNSs by using weak-ties that have been created on these platforms, compared to weak-ties that are maintained on SNSs. This trend was

highlighted through all types of alliances. An assumption can be made that SNSs are being used to select specific contacts and weak-ties are being created with them to form alliances. SNSs are giving entrepreneurs a platform to source key connections that they sense could possibly provide them with an opportunity to create alliances that will be highly beneficial to them. Nevertheless, it is still not a common activity (Hypothesis 3, 4, 5 and 6). If a SNS platform is created that is strictly for alliance creation, as previously mentioned, this could possibly increase the amount alliances between entrepreneurs and also well-established businesses. Once trust can be created and safety for both businesses can be established, the chance of alliances becomes more likely, because it has been highlighted by the research that entrepreneurs tend to create alliances by using weak-ties that have been created on SNSs. This highlights that Generation Y entrepreneurs have a tendency to use SNSs for more than just socialising, but to assist them in meeting new individuals that can assist them with their businesses.

5.6 Conclusion

Weak-ties are occurring on SNSs but they are not as common as one would think. They are being created by Generation Y entrepreneurs, but presumptions could be made that this generation should be creating a lot more, because they are the generation that have grown up with the internet and have adapted to nearly every part of their of life. There are many possibilities that are deterring entrepreneurs from swaying away from using these platforms to create weak-ties, ranging from a misunderstanding of what these ties could achieve to the limited time that entrepreneurs actually have. SNSs are being used, but they are not being used to create alliances with contacts. Alliances are not common amongst these entrepreneurs. There are a number of actions that could assist in promoting alliances, such as the development of a SNS that is solely created for building alliances, and also education. Educating individuals on the importance of alliances, and how to go about creating beneficial ones needs to be undertaken. The most common type of alliances that is being created is that of organisational alliances, followed by economical and strategic. The least common alliance is that of political alliances. When the types of weak-ties are evaluated to judge what is more conducive to alliance creation, the creation of weak-ties comes to the forefront. Generation Y entrepreneurs seem to be specifically creating weak-ties on SNSs to

create alliances. These weak-ties are vital for any entrepreneur, the biggest advantage of them is the diverse information and resources they are able to provide the entrepreneur with. Strong-ties are useful as well, but the information and resources that can be accessed from these relationships are a lot more homogenous.

Chapter 6 – Conclusions & Recommendation

6.1 Introduction

There are a number of factors that can influence the outcomes of weak-ties and alliances on SNSs. This study has essentially raised more questions than answers in the context of SNS development of weak-ties and creation. Yet it has also delved into the unknown area of weak-tie creation and maintenance and alliance creation on SNSs. It has shown that there is potential for further studies and also development in this area for entrepreneurs and academics alike.

6.2 Conclusion of the study

It can be said that SNSs are being used by Generation Y entrepreneurs to maintain and also create weak-ties. The latter are being less utilised by entrepreneurs, but are nevertheless important. Generation Y entrepreneurs in Johannesburg seem to understand the importance of weak-ties and the diverse information and resources that can be accessed through them. When solely looking at entrepreneurs using SNSs, it is not likely for them to create alliances using these platforms, but they are still creating them. Organisational and economical alliances seem to be the more popular of the four, with strategic and political alliances being the least popular. An outcome that is a contradiction of the first finding was that when assessing the Generation Y entrepreneurs that were creating alliances, there was a stronger relationship between these alliances than creation of weak-ties. The assumption can be made that these alliances are being preselected by entrepreneurs for specific needs for themselves and their businesses.

6.3 Recommendations

6.3.1 The first major recommendation is to educate individuals on the importance of SNSs. Entrepreneurs need to understand the importance of SNSs and what they are capable of achieving. Being able to utilise these platforms, one can create a vast network of connections of an entrepreneur that they can access information and resources at a fraction of the cost. Institutions such as Wits Business School and other universities need to consider offering modules and courses on the best ways to utilise SNSs, and also how not to use them. Courses and modules can be adapted to respective

professions, because each profession has its own demands and requirements. Entrepreneurial SNS courses can be created to assist entrepreneurs in highlighting what their needs are and how to create weak-ties and different types of alliances.

6.3.2 The second major recommendation is creating a platform that is solely designated to creating alliances for entrepreneurs and other professionals. This platform will assist in overcoming a major factor in the development of weak-ties and alliances, that of trust. Trust needs to be at the forefront of this platform. If trust can be created on these platforms it will be able to give entrepreneurs the peace of mind that both their interests and those of their businesses are protected, and will allow for the creation of alliances to flourish.

6.3.3 A minor recommendation would be to create more networking events targeted towards Generation Y entrepreneurs. These events would have individuals from different industries, creating a homogenous environment.

6.3.4 Another minor recommendation would be to have online chat rooms where Generation Y entrepreneurs could ask business related questions to business leaders. Within these chat rooms entrepreneurs can interact with one another, essentially creating an online networking event.

6.4 Suggestions for further research

There are several suggestions for further research. The first and foremost one being a longitudinal study of created weak-ties and maintained weak-ties on SNSs and which one of those are more conducive for alliance creation. This will allow for the confirmation or rejection of this report's conclusion. Assumptions are being made about what determines alliance creation on SNSs. Researchers need to possibly look at the relationship between strong-ties and alliance creation, and also determine the amount of influence trust has on alliances. Macro factors may also be playing a role in the creation of alliances on SNSs. Future researchers need to identify the influence that governments and industry types e.g. high-tech versus low-tech industries, have on alliances. In terms of a micro factor, researchers need to assess whether or not a firm's life cycle has determining influence in alliance creation. Another external factor that could possibly have an influence on the creation of both

weak-ties and alliance creation is gender. As highlighted by researchers that women have a tendency to focus on strong-tie creation, weak-tie alliance creation could be determined by genders. By assessing who creates these alliances, one can provide support to individuals who do not focus on them.

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Appendix A

Actual Research Instrument

Masters in Management in the field of Entrepreneurship and New Venture Creation Consent Form

Who I am

Hello, I am Andrew Reinhart. I am conducting research for the purpose of completing my MM at Wits Business School.

What I am doing

I am conducting research on Generation Y entrepreneurs and their use of social media in building their social capital in terms of strategic alliances.

Confidentiality

Any study records that identify you will be kept confidential to the extent required by law. The records from your participation may be reviewed by people responsible for making sure that research is done properly, including my academic supervisor/s (all of these people are required to keep your identity confidential). All study records will be destroyed after the completion and marking of the thesis.

Risks/discomforts

At the present time, I do not see any risks in your participation. The risks associated with participation in this study are no greater than those encountered in daily life.

Benefits

There are no immediate benefits to you from participating in this study. However, this study will be extremely helpful to us in understanding an entrepreneur's social media use in building his/her social capital in terms of strategic alliances. If you would like to receive feedback on the study, I can send you the results of the study when it is completed.

Who to contact if you have been harmed or have any concerns

This research has been approved by the Wits Business School. If you have any complaints about ethical aspects of the research or feel that you have been harmed in any way by participating in this study, please contact the Research Office Manager at the Wits Business School, Mmabatho Leeuw. Mmabatho.leeuw@wits.ac.za . If you have concerns or questions about the research you may email my academic research supervisor, Dr. Diran Soumonni (Diran.Soumonni@wits.ac.za).

Consent

I hereby agree to participate in research on social entrepreneurial intentions. I understand that I am participating freely and without being forced in any way to do so. I also understand that I can stop participating at any point should I not want to continue and that this decision will not in any way affect me negatively. I understand that this is a research project whose purpose is not necessarily to benefit me personally in the immediate or short term.

I understand that my participation will remain confidential.

I accept

Introduction

Q2.1

What type of industry is your business in?

Q2.2

Age

Q2.3

Gender

- Male
- Female

This section of the survey will be to identify if weak-ties are created or maintained through social media platforms.

Q3.1

I use social media platforms to learn more about other people that I have had business dealings with

Never	Rarely	Sometimes	Often	All of the Time
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Q3.2

I use social media platforms to learn more about other people in the same industry as me

Never	Rarely	Sometimes	Often	All of the Time
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Q3.3

I use social media platforms to keep in touch with existing business connections that you have met on social media sites

Never	Rarely	Sometimes	Often	All of the Time
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Q3.4

I use social media platforms to meet new people that are in similar industries to me

Never	Rarely	Sometimes	Often	All of the Time
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Q3.5

I use social media platforms to meet new people that are in different industries to me

Never	Rarely	Sometimes	Often	All of the Time
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This section of the survey will be to identify if social media platforms are utilised to create strategic alliances.

Q4.1

Social Media and Strategic Alliances

I use strategic alliances that I have met on social media platforms to gain presence to new markets

Never	Rarely	Sometimes	Often	All of the Time
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Q4.2

I use strategic alliances that I have met on social media platforms to gain faster entry to market

Never	Rarely	Sometimes	Often	All of the Time
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Q4.3

I use strategic alliances that I have met on social media platforms to facilitate international expansion

Never	Rarely	Sometimes	Often	All of the Time
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Q4.4

I use strategic alliances that I have met on social media platforms to maintain market position

Never	Rarely	Sometimes	Often	All of the Time
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Q4.5

I use strategic alliances that I have met on social media platforms to create economies of scale

Never	Rarely	Sometimes	Often	All of the Time
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Q4.6

I use strategic alliances that I have met on social media platforms to share the risk of a large project

Never	Rarely	Sometimes	Often	All of the Time
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Q4.7

I use strategic alliances that I have met on social media platforms to create co-specialisation

Never	Rarely	Sometimes	Often	All of the Time
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Q4.8

I use strategic alliances that I have met on social media platforms to assist in restructuring

Never	Rarely	Sometimes	Often	All of the Time
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Q4.9

I use strategic alliances that I have met on social media platforms to acquire means of distribution

Never Rarely Sometimes Often All of the Time

Q4.10

I use strategic alliances that I have met on social media platforms to legitimise my business

Never Rarely Sometimes Often All of the Time

Q4.11

I use strategic alliances that I have met on social media platforms to learn & internalise tacit, collective and embedded skills

Never Rarely Sometimes Often All of the Time

Q4.12

I use strategic alliances that I have met on social media platforms to compete against a common competitor

Never Rarely Sometimes Often All of the Time

Q4.13

I use strategic alliances that I have met on social media platforms to exchange complementary technology

Never Rarely Sometimes Often All of the Time

Q4.14

I use strategic alliances that I have met on social media platforms to create product diversification

Never Rarely Sometimes Often All of the Time

Q4.15

I use strategic alliances that I have met on social media platforms to share R&D costs

Never Rarely Sometimes Often All of the Time

Q4.16

I use strategic alliances that I have met on social media platforms to exchange patents and territories

Never Rarely Sometimes Often All of the Time

Q4.17

I use strategic alliances that I have met on social media platforms to diversifying into new businesses

Never Rarely Sometimes Often All of the Time

Q4.18

I use strategic alliances that I have met on social media platforms to reduce competition

Never Rarely Sometimes Often All of the Time

Q4.19

I use strategic alliances that I have met on social media platforms to gain access to new technologies

Never	Rarely	Sometimes	Often	All of the Time
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Q4.20

I use strategic alliances that I have met on social media platforms to conform and apply with foreign government policy

Never	Rarely	Sometimes	Often	All of the Time
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Q4.21

I use strategic alliances that I have met on social media platforms to overcome legal and regulatory barriers

Never	Rarely	Sometimes	Often	All of the Time
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Appendix B

Consistency Matrix

Do Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created?					
Aims of research	Literature Review	Hypotheses	Source of data	Type of data	Analysis
The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Ellison, Nicole B., Charles Steinfield, & Cliff Lampe; Bolton & Ruth N.; Adler & Kwon; Granovetter; Bakshy & Rosenn	H1: SNSs are used by Generation Y entrepreneurs to maintain weak ties.	Q3.3	Ordinal	Hypothesis testing
The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Ellison, Nicole B., Charles Steinfield, & Cliff Lampe; Bolton & Ruth N.; Adler & Kwon; Granovetter; Bakshy & Rosenn	H2: SNSs are used by Generation Y entrepreneurs to create weak ties.	Q3.4 and Q3.5	Ordinal	Hypothesis testing

The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Adler, Paul S., & Kwon; Burke, Moira, Kraut, & Marlow; Todeva & Knoke and Varadarajan & Cunningham; Glaister & Buckley.	H3: SNS's are used by Generation Y entrepreneurs to create economic alliances.	Q4.1-Q4.7	Ordinal	Hypothesis testing
The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Adler, Paul S., & Kwon; Burke, Moira, Kraut, & Marlow; Todeva & Knoke and Varadarajan & Cunningham; Glaister & Buckley.	H4: SNS's are used by Generation Y entrepreneurs to create organisational alliances.	Q4.8-Q4.11	Ordinal	Hypothesis testing
The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Adler, Paul S., & Kwon; Burke, Moira, Kraut, & Marlow; Todeva & Knoke and Varadarajan & Cunningham; Glaister & Buckley.	H5: SNS's are used by Generation Y entrepreneurs to create strategic alliances.	Q4.12-Q4.19	Ordinal	Hypothesis testing

The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Adler, Paul S., & Kwon; Burke, Moira, Kraut, & Marlow; Todeva & Knoke and Varadarajan & Cunningham; Glaister & Buckley.	H6: SNS's are used by Generation Y entrepreneurs to create political alliances.	Q4.20- Q4.21	Ordinal	Hypothesis testing
The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Adler, Paul S., & Kwon; Burke, Moira, Kraut, & Marlow; Todeva & Knoke and Varadarajan & Cunningham; Glaister & Buckley.	H7: Weak-ties on SNS's are used to create economic alliances.	Q3.3, Q3.4 and Q3.5 - Q4.1 - Q4.7	Ordinal	Multiple regression analysis
The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Adler, Paul S., & Kwon; Burke, Moira, Kraut, & Marlow; Todeva & Knoke and Varadarajan & Cunningham; Glaister & Buckley.	H8: Weak-ties on SNS's are used to create organisational alliances.	Q3.3, Q3.4 and Q3.5 - Q4.8 - Q4.11	Ordinal	Multiple regression analysis

The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Adler, Paul S., & Kwon; Burke, Moira, Kraut, & Marlow; Todeva & Knoke and Varadarajan & Cunningham; Glaister & Buckley.	H9: Weak-ties on SNS's are used to strategic alliances.	Q3.3, Q3.4 and Q3.5 - Q4.12 - Q4.19	Ordinal	Multiple regression analysis
The aim of this study is to identify Generation Y entrepreneurs in Johannesburg use social media to build their social capital in order create alliances, and if so, what type alliances are being created.	Adler, Paul S., & Kwon; Burke, Moira, Kraut, & Marlow; Todeva & Knoke and Varadarajan & Cunningham; Glaister & Buckley.	H10: Weak-ties on SNS's are used to political alliances.	Q3.3, Q3.4 and Q3.5 - Q4.20 - Q4.21	Ordinal	Multiple regression analysis