



# Identification of strategic networks in entrepreneurial networking process: A case study of influencer entrepreneur in fashion startups, Thailand

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## ABSTRACT

*From social media influencers (SMIs) who gain social capital in the form of follower fan base on social media platforms, developing further career opportunities into a successful entrepreneur. This significant phenomenon has seen the emergence of influencer entrepreneurs utilizing social media platforms to disclose their own personal products or services. Underlying this growing trend is the dynamic interplay of networks and the firm activities. In order to better understand in specify research area, the importance of network dimensions have been conceptualized in start up process. To explore entrepreneurial networking process in which driving influencer entrepreneur into entrepreneurial success. The key implication of the research is the strategic network for achieving entrepreneurial success in firm performance and superior network outcomes. A qualitative research approach enabled triangulated data investigation with both primary and secondary sources to facilitated the emergence of relevant theme; Procurement and supplier relations, research design and development of product, human resource planning and training, management technology and management system , warehouse and logistics distribution, marketing intelligence and marketing (Fashion retailing, marketing and merchandising) and after-sale service and cash collections. The key strategies in fashion start up networking process influencer entrepreneur that uncovered in the study can thereby leveraging chances to turn start ups into success and sustainability and enhanced some network dimensions on how to become more competitive and successful in the future.*

**Keywords:** Strategic Network, Entrepreneurial Networking Process, Influencer Entrepreneur

## 1. INTRODUCTION

As the Internet and social media platforms have become more advanced, the rules of communication, social relations and business are transformed. It allows users to share ideas and exchange information through the building of virtual networks and communities (Tietz & Herstatt, 2005). A number of influential individuals who are diffusing information and idea have emerged as social media influencers (SMIs) among those several social networking sites. The greater levels of social interaction and conversational content between follower and influential users become one of the most effective marketing tools as increasingly diverse reaching via online social networks (Ma, Liu, & Chi, 2018). From a commercial point of view, influencer endorsements given their key role in are able to shape audience attitudes through peer-to-peer communications on social media (Deborah, Michela, & Anna, 2019). As credible sources in which SMIs develop trust with their follower on product endorsement, turning to its consequences, encouraging brands to expand their social media marketing practices as prevalent in firm strategies (Hughes, Swaminathan, & Brooks, 2019).

Through the right execution, these credibility and trust in a large number of target audience draws many commercial brands attention, and especially those linked to the beauty and fashion sector using influencer marketing to maximize positive online media coverage and advertise their products or services (Lin, Jan, & Chuang, 2019). From SMIs who successfully branding themselves as experts on social media platforms manage to monetize by partnering with companies to promote services or products. Nowadays some of SMIs no longer use their fan base only to promote the products of others, but they are gravitating towards using social channels to launch their own product and online presence (Mahy, 2018). This relatively new rising “influencer entrepreneur” phenomenon is still lack of acquiring knowledge.

The mechanism underlying this growing trend is the dynamic interplay of social networks and the entrepreneurial process. By its nature, influencer entrepreneurs are part of multiple networks in which digitally mediated interactions on social media, they might need to execute differently in each dimensions (Abert, Lunderøy, & Radmacher, 2019). The more critical the network formation process and its strategic potentials are, the more widely acknowledged as important antecedent to business success and growth (Jones, Suoranta, & Rowley, 2013).

Amongst the multitude of platforms in today's highly competitive business environment, Instagram is the most used by SMIs in term of globally fastest growing social network platform (Mathew, 2019). Based on filtered images and visual aesthetics, it is a value social media marketing tool for fashion and beauty sector (Satria, Jatipuri, Hartanti, & Sanny, 2019). Specifically with an average of 35.5 million, fashion segment claims as the highest average number of Instagram followers as well as 27.8% higher rates of engagement and interactions followed by beauty segment 15% (Iqbal, 2019).

As those SMIs turned influencer entrepreneurs have great influence on their followers (Casaló, Flavián, & Ibáñez-Sánchez, 2018), it has been easier to target any particular demographic on running several businesses based on their own social media fame. Because of this direct relationship between follower and SMIs, it is also easier to measure the direct success. In order to better understand in specify research area, the importance of networks has been highlighted in investigations into the establishment of startup process. The following research objectives are addressed:

To explore strategic network in entrepreneurial networking process which driving influencer entrepreneur into entrepreneurial success.

The key implication of the research is the strategic network for achieving entrepreneurial success in firm performance and superior network outcomes throughout their business activities and in all their cycle. Knowledge gained through our research will contribute to a better understanding of the entrepreneurial networking process behind the influencer entrepreneur.

## **2. RESEARCH METHODOLOGY**

This study aims to identify influencer entrepreneur on how to develop startup within fashion industry and what it takes to be successful doing so by especially looking at the entrepreneurial networking process. The qualitative methodology is employed for exploring this relatively new area of research. This empirical case studies project draws on a yearlong qualitative study since the phenomena that we studied composed of triangulation data of three successful influencer entrepreneurs who have launch fashion startups in Thailand. Theoretically, the case studies in the total project were the use of primary data by observation and semi-structured interviews as well as secondary data from various sources such as government directories, journals, media and magazines. These issues are explored in the strategies aspect that entrepreneurs pursue within the startup process.

## **3. CONCEPTUALIZATION**

Networks provide an embedding mechanism, they are an essential element in linking device to other actors in entrepreneurial process (Anderson, Dodd, & Jack, 2010). Theoretical focus and key concepts on entrepreneurial networking process embrace the realm of more than one network. Firm relationships associated with the following network types:

**Entrepreneur:** Through personal networking perspective upon emerging structures, individuals contributes significantly to the entrepreneurial process, interactions between the entrepreneur and others actors in the networks (Lamine, 2017). Serving as the unique networks that possible to structuring of new entrepreneurial abilities, thus exchange knowledge and skills. The entrepreneur plays a significant role in the entrepreneurial process (Van der Veen & Wakkee, 2006). By elaborating, they can be approximately so called as "*Networking Man*" (Johannisson, 1988) according to the characteristics of the entrepreneur, entrepreneurial traits, their knowledge and competencies.

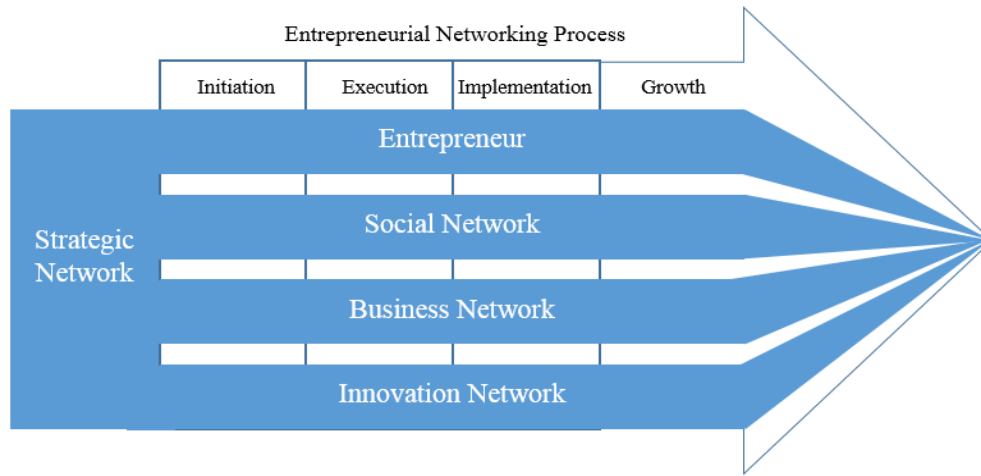
**Social network:** With strong influence on entrepreneurial activity such as social transactions, links, and structural characteristics (Shen, Chiou, Hsiao, Wang, & Li, 2016), in which entrepreneurs are embedded in social capital that influence their decisions in the social contexts (Thai, Turkina, & Stephens, 2013). Such social networks present opportunities for firms to gain and share critical information and invaluable key resources over its external networks as well as collect data and obstruct their competitors. Social network tend to have distinctive boundaries by mediated the varying strength of ties (Brown, Mawson, & Rowe, 2019).

**Business network:** A set of connected actors in the broader context that perform different types of business activities in interaction with each other (Holmlund & Törnroos, 1997). There are different approaches to business within systems that contain interdependencies of dynamic relationships in both a complementary and a substitutive nature (Leskinen, 2011).

**Innovation network:** Sundbo (1992) stated that "*It is rarely one individual who single-handedly create a product or service and further develops it through the whole process and ultimately promote to the commercial marketing*". The degree of entrepreneurial success is a useful metric for looking at innovation processes by describing and analyzing activities across this complex and highly organized process sectors (Cruickshank, 2010). Those activities comprises with product innovation, process innovation, marketing innovation and organization innovation.

### **3.1 Strategic network**

It is seen as the "strategic alliance", in which activities are led by the firm strategy where the execution consists of guidance and communication. Strategy in entrepreneurship determines the degree of new ventures, differentiation competition and the development routes inside firms. This type of companies that were cooperating in administration, purchases, sales, marketing and production (Ahlström-Söderling, 2003). Networks are a socially constructed strategically organization for instituting change, developing growth in the main way to integrate individual, organization, and society (Gao, Ge, Lang, & Xu, 2018). It covers entrepreneurial activities throughout the organization will increasingly competitiveness within the network and the chances for the startups to survive periods of depression and thus creating the future.






Theoretical framework of the entrepreneurial networking process composed according to Bygrave and Zacharakis (2004) and Leskinen (2011)

**4. DATA ANALYSIS AND FINDINGS**

In case studies, the three successful influencer entrepreneurs were chosen as following.

**Table 1: Sample of influencer turned to fashion apparel entrepreneur in Thailand**

Fashion Apparel Brand		Influencer Entrepreneur		Product Samples
IG Business Account	No. of Follower (Nov, 2020)	IG Personal Account	No. of Follower (Nov, 2020)	
Basics by Sita @basicsbysita	418K	Khemmanath Chuleekiet @yykhemmanath	43.1K	
Flat2112 @flat2112	294K	Rassarine Tanachaiwattanap @katheryn_lee	772K	
Coat Over @coatover	286K	Sopita Intarawicha @paplengpapleng	95.1K	

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Thematic analysis was conducted, and coding was the basic analytic strategy. Consequently, investigate the structural from influencer entrepreneur activities, yet presents the findings in relation to each of these networks. Networks involved a range of difference dimensions, 7 different types of process have been identified from these data and provided to theoretical framework of the entrepreneurial networking process.

All networks are equal significance and are seen to be intertwined and to overlap with the rest of the startup and marketing activities. We propose that in each network dimension within entrepreneurial process these strategies play a particularly important role to.

- Procurement and supplier relations – with uncertain business environment and more demanding from customers and increasingly competitive to gain a higher market share in apparel segment, firm has to be more emphasis on the growth of innovation networks strategies and value creation. Startup relies on support from the supply base in order to remain competitive

and, importantly, maintain cost control. In the same time, firms have to monitor supplier performance to ensure all benefits are open and fair. Moreover, Influencer entrepreneurs recognize the importance of having a skilled purchasing workforce and making value contribution of purchasing linked directly to stakeholders and organization. In the same time, tightening collaboration with internal clients and suppliers to become business partners in cross-functional collaboration, to enhance existing processes and reduce costs through the identification and introduction of new materials, technologies and alternative solutions for sustainable growth.

- Research design and development of product and packaging – for long-term profitability and future iterations of new product commercialization, influencer entrepreneur need to continuous improvement time over time within the product development cycle. In terms of full integration of high technology and fashion design, product testing occur to improve durability and sustainable even when product has been launching already to revisions and modifications for next collections among designers, stylists and marketing functions. Today, though, advanced packaging is becoming a more viable option as a brand ambassador. Touch points through packaging can therefore make products distinguishable from the competition and to strengthen their attractiveness. Packaging design plays an important role in product innovations. Creative and active packaging creates added value that is particularly appealing to target audience in particular influencer entrepreneur's own social media platform.
- Management technology and system - to help designer team make smarter strategic decisions around product development and new product commercialization, nowadays, manufacturers are already using AI to generate prototypes for products. Knowledge from the AI system was served to designers real-time fashion industry trends, resurfacing themes in trending patterns, silhouettes, colors, and styles. Yet, digitizing the fashion supply chain with sourcing partners in Mainland China and all across Southeast Asia. In the same time, informed design decisions for their next collection in just a short time as of fast fashion businesses are on speed and agility. At the core of their business, IT alignment should build adaptability into strategic network throughout engagement in developing, manufacturing and packaging products.
- Planning, human resource and training – as the small size of the firm comprises less than 30 employees, however labors is the most important asset for the startups with right people as the key factor of succeeding. In the high competition where merchandise can be similar, all customer segmentation, product price ranges are comparable and on the same shopping online platforms, strategic planning is an integral part of corporate plan. The company's value proposition is dependent on the company's human assets and their capabilities. Specifically for fast fashion business in which really required fast, friendly service and knowledgeable employee for online shopping service, or whether well trained, loyal, and enthusiastic for merchandising and marketing to the store environment. From guest services, systems, and distribution infrastructure and the speed with payment transactions, firms employ and monitor those who have potentials on acquired knowledge, skills and creative activities at all levels. In the meantime, smart brands are paying attention on technology and find the right digital to uses for their organizations.
- Logistics, warehouse and distribution – to deliver the product to customer in real time and accurate, fashion startups outsource warehousing operation throughout the supply chain to eliminate distractions and reduction in asset capital. Marketplace nowadays demands fast, flexible and efficient supply chains, with the advent of fashion business in E commerce, influencer entrepreneurs consider to use typically depends on market scale, systems and infrastructure needed for distribution to customers and alignment with the size and geographic spread of the logistic service provider.
- Marketing intelligence and marketing (fashion retailing, marketing and merchandising) - as people increasingly live their lives online, the apparel e-commerce is growing exponentially. Social media is accelerating this cycle. Influencer marketing and other social media strategies help trends travel fast, creating rapid consumer demand for fast fashion brands. Customer can checking the new collection through their own fashion label website, line ads, Instagram, Facebook and leading mobile market application such Shopee and Lazada that firms are cooperating with allow firms to better engage their customers and even become leaders in their fields capture algorithms. On the other hand, even influencer entrepreneur focus mainly on ecommerce platform, however they are also cooperating with multi-brand stores to give traditional in-store shopping experiences to their loyal customers. Merchandisers must presenting goods attractively and accessibly through the use of store windows, in-store displays, and special promotional events. Merchandising specialists must be able to respond to surges in demand by rapidly acquiring new stocks of the favored product.
- After-sale service and cash collections – to achieving this end-state, it is important that startups manage their accounts receivable effectively when formalized establishing a collection strategy, as well as plan for spotting potential cash flow issues and addressing them before they become detrimental to the business. Outstanding balances can seriously impact cash flow and represents an essential opportunity to improve the quality of the firms, products and services provided.

## **5. CONCLUSION**

By considering into each stage of entrepreneurial networking process, the crucial mechanism in strategic networks can facilitate and manipulate the startups successfully in all those dimension. Given that strategically forming and maintaining entrepreneurial strategy require time and effort, our findings bring clear practical implications on business activities and environment that affected toward firm growth in which the strategic was embedded.

The startups that we have studied are all highly successful in Thailand markets, influencer entrepreneur may smoothly introduce the product and service into the market through their influential social media fame. However, not only by their strong existing personal relationship based on their knowledge, skills and competencies, but also their vision and strategic plan that they develop as the entrepreneur in which take a key role in providing opportunities particularly for the growth of the firm.

The influencer entrepreneur could provide a different perspective on analyzing the dynamics of interaction between network dimensions of the entrepreneurial networks process, thereby improving our understanding of this relatively new phenomenon. Moreover, this paper makes an important contribution to local, national and even global economy due to strong growth potential business aspect that influencer entrepreneur ripple.

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