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Author
Ryo Kikuchi, Aya Okada, Yu Ishida

Title
Overcoming Liabilities of Newness: Use of Social Media among Newly Established Nonprofits

Abstract

Rationale: Social media is an inexpensive yet effective tools for nonprofits to disseminate information, to build engagement, and to facilitate actions among the public. This paper argues that social media is particularly effective among start-up nonprofits that must overcome “liability of newness” (Stinchcombe, 1965) and survive during their “baby” years. Features of social media help emerging nonprofits to increase their visibility, to win trust, and to attract financial/human resources. Given that many nonprofits are born every year world-wide, findings of this paper will provide important implications for effective/efficient survival of “baby” nonprofits.

Prior Studies: This paper contributes to two sets of literature. First, the paper joins studies exploring factors that contribute to overcoming “liabilities of newness.” Van Slyke and Lecy (2012) identified contribution of board, social capital of founders, and volunteers. Chambre and Fatt (2002) highlighted public funding and “commitment of people drawn together.” Herrmann (2011) saw the power of “narrative” in building social identity of new organizations. Joining these research, we shed light to underexplored possibility of social media for start-up nonprofits.

This paper also contributes to studies exploring social media and nonprofits. This body of literature is gradually shifting its focus from documenting practice to examining its impact on nonprofits’ operations and performance (Guo and Saxton, 2018; Okada et al., 2017; Saxton and Wang, 2014). We expand the latter with focus on start-up nonprofits.

Research questions
1: Does sending out information via social media have a positive impact on its visibility in the society among newly established nonprofits?
2: Does sending out information via social media have a positive impact on the amount of funds
that newly established nonprofits raise?

3: Does sending out information via social media have positive impact on the amount of funds that newly established nonprofits raise by amplifying visibility in the society?

Data and Methodology: We examine 71 nonprofits founded after the earthquake, tsunami, and nuclear accident that struck Japan in 2011. This particular incident with emerging post-disaster needs became a key momentum for establishment of new nonprofits.

Our dataset consists of three parts: 1) transcribed semi-structured interviews with these nonprofits on their strategic management, 2) analyzed Facebook/Twitter updates (collected using NVivo, content analysis applying the framework of Lovejoy and Saxton, 2012), and 3) visibility in mass media and online (applying measurements suggested by Guo and Saxton, 2018).

We run regression models on fundraising outcomes and on visibility of start-up nonprofits with social media variables, while controlling for organizational attributes such as strategies, capacities, governance features, and external environment (Nah and Saxton, 2013).

Findings to date: First and second part of our dataset has been completed. We have found so far that sending out information frequently through social media is effective for fundraising among newly established nonprofits. We also found that such impact is larger for organizations with more number of full-time staff members and with larger program service revenues. We will incorporate factors on visibility to deepen our analysis. We expect to have the full paper completed by the end of May.

**Keyword**

Social Media, Start-up Nonprofits, Liability of Newness, Giving, Fundraising, Japan