

THE INTERPLAY OF LEGITIMACY GAINS AND TECHNICAL GAINS IN THE
ADOPTION OF SOCIAL MEDIA

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ABSTRACT

The benefits of adopting new practices vary: some provide technical efficiency and some are institutions and bestow legitimacy to adopting firms. These distinct benefits have been treated in isolation in the literature, but I argue that they are not isolated at all and in fact, might interact in how they impact firm performance. I develop theory that builds upon recent findings that firms are indeed motivated to achieve both legitimacy and technical gains, whether they are early or late adopters. By utilizing strategic alignment and adoption timing as proxies for adoption motivation, I empirically separate the two adoption logics and enable the investigation of whether they are both achievable, and if so whether they are additive or interactive. I test these ideas in the context of social media and the adoption of Facebook, Twitter, and YouTube. I find that some firms achieve both technical and legitimacy gains through adoption and that the two positively interact to enhance one another