

# **Social Media as a Pathway to Entrepreneurial Success: Overcoming Barriers for Black Women Entrepreneurs**

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*This study examines social media's significant yet challenging role as a tool for entrepreneurial success among Black women entrepreneurs. Entrepreneurship is a powerful pathway to social and economic mobility, offering underrepresented groups opportunities for financial independence and influence. Social media platforms have opened up avenues for brand building, customer engagement, and business scaling. Still, Black women face obstacles in leveraging these opportunities such as algorithmic bias, underrepresentation, and social barriers. This paper explores these challenges and the strategic approaches Black women entrepreneurs can employ to build a robust social media presence despite systemic limitations. It also provides policy recommendations to mitigate these barriers' impact and calls for targeted support from government and private sector initiatives, including education on platform algorithms and inclusive design. Finally, empirical research directions are proposed to deepen understanding of how Black women utilize social media for opportunity recognition and business performance.*

*Keywords: entrepreneurship, social media, Black Women*

## **INTRODUCTION**

Entrepreneurship is critical to achieving social and economic mobility, particularly for underrepresented groups such as Black women. In recent years, a strong social media presence has become more important, as entrepreneurs increasingly rely on digital platforms to build their brands, reach customers, and scale their businesses. Unfortunately, Black women entrepreneurs face unique barriers that hinder their ability to leverage social media effectively. These obstacles include systemic biases embedded in social media algorithms, underrepresentation, and challenges related to visibility and credibility in online spaces. To overcome these obstacles, researchers have examined strategies to amplify the presence of Black women entrepreneurs on platforms like Instagram and TikTok, thus driving their entrepreneurial success and contributing to broader efforts to close the racial and gender wealth gap. Still, more empirical research is needed to discover the real-world status of Black women entrepreneurs as they try to establish a strong social media presence.

This paper proceeds as follows: First, we discuss the role of entrepreneurship in promoting social and economic mobility, particularly for marginalized groups such as Black women. Next, we examine the growing importance of a strong social media presence for entrepreneurial success, followed by a detailed analysis of Black women's unique challenges in establishing an effective social media presence. We then explore techniques and strategies that Black women entrepreneurs can adopt to overcome these barriers,

including the role of social media platforms, mentorship, and government interventions. Lastly, we propose potential policy solutions and research studies that could further assist Black women entrepreneurs in enhancing their digital presence and achieving greater business success.

## **ENTREPRENEURSHIP, SOCIAL MOBILITY, AND OBSTACLES FACING BLACK WOMEN**

### **Entrepreneurship as a Driver of Social and Economic Mobility**

Entrepreneurship contributes to social and economic mobility by increasing household income, savings, and assets. When individuals start businesses, they often reinvest their earnings into their communities, generating local economic growth and providing jobs. Entrepreneurship is also correlated with a higher degree of financial autonomy. Entrepreneurship is particularly important in low-income communities, where business owners not only create wealth for themselves but also contribute to broader community development and economic diversification (Cairns et al, 2023).

Entrepreneurship allows individuals to create businesses that cater to niche markets, generate employment, and foster innovation. For communities facing systemic barriers to traditional employment opportunities, such as Black women, entrepreneurship can serve as a way to escape poverty and build generational wealth. Entrepreneurship enables individuals to overcome barriers related to education, geographic location, and industry gatekeeping, allowing them to create opportunities where none previously existed (Fairlie et al, 2020).

### **Entrepreneurship, Social and Economic Mobility, and Black Women**

For Black women, entrepreneurship has increasingly become an avenue for achieving economic independence and social mobility, especially as they face systemic obstacles in traditional employment settings. Black women are among the fastest-growing groups of entrepreneurs in the United States. Between 2014 and 2019, Black women's businesses grew by over 50%, compared to 21% among all women-owned businesses (American Express, 2019). Despite this impressive growth, Black women entrepreneurs often face challenges, such as limited access to capital, racial and gender biases, and a lack of established networks that other groups may more easily access (Kniggendorf, 2019).

Entrepreneurship is especially vital for Black women because it offers a pathway to economic mobility that is less dependent on navigating historically-biased corporate structures. Many Black women entrepreneurs turn to business ownership after facing barriers in traditional employment, such as pay inequities, underrepresentation in leadership positions, and lack of mentorship. Black women are often the primary breadwinners in their households, meaning their entrepreneurial ventures serve as individual efforts and lifelines for their families and communities (Goldman Sachs, 2021). Thus, the benefits multiply when Black women succeed as entrepreneurs, impacting broader socioeconomic groups.

Entrepreneurship also serves as a method for Black women to gain autonomy over their careers, allowing them to shape their professional paths in ways that align with their values and community needs. This has been particularly important in sectors like beauty, health, and fashion, where Black women have carved out spaces to serve communities traditionally underserved by mainstream businesses. By identifying and serving these niche markets, Black women entrepreneurs play a crucial role in addressing both economic gaps and social injustices in their communities (Bozarth et al, 2020).

Despite the potential for entrepreneurship to drive social and economic mobility, Black women continue to face significant barriers, particularly in securing funding (Jackson et al, 2019). Black women receive only a fraction of venture capital and small business loans compared to their White counterparts. Less than 1% of all venture capital goes to Black women-owned businesses, a gap underscoring the systemic disparities they face in accessing financial resources (Kunthara, 2021). As a result, many Black women entrepreneurs rely on personal savings or community networks to fund their ventures, which can limit the scale and growth potential of their businesses.

To address these barriers, programs such as the One Million Black Women Initiative by Goldman Sachs have emerged to provide targeted support. This initiative commits \$10 billion in direct investment capital and \$100 million in philanthropic efforts specifically aimed at Black women entrepreneurs, recognizing

that closing the racial and gender wealth gap can lead to broader economic benefits (Goldman Sachs, 2021). By supporting Black women's entrepreneurship, these initiatives improve individual financial outcomes and contribute to overall social and economic mobility and a thriving free society.

### **The Importance of a Strong Social Media Presence for Successful Entrepreneurship**

In the digital age, a strong social media presence has become crucial to entrepreneurial success. Social media platforms such as Instagram, Facebook, TikTok, X, and LinkedIn allow entrepreneurs to reach wide audiences with minimal initial investment, making these platforms particularly useful for small businesses and startups. For many entrepreneurs, social media serves as a primary tool for building brand awareness, engaging directly with customers, and fostering community support. Businesses that effectively leverage social media can see significant increases in customer engagement and sales, with nearly 80% of small businesses reporting that social media has contributed to their business success (Jones et al, 2015).

Social media is so important for entrepreneurship because it can level the playing field. For entrepreneurs who may not have access to traditional marketing channels or large advertising budgets, social media provides a cost-effective way to market products and services. Entrepreneurs can reach specific target audiences through paid promotions, organic posts, or by collaborating with influencers who align with their brand. Social media also enables entrepreneurs to access real-time customer feedback, allowing them to make data-driven decisions to optimize their product offerings (Felix et al., 2017).

In addition, social media provides opportunities for e-commerce integration, which is increasingly important for scaling a business. Features such as Instagram Shopping and Facebook Marketplace enable entrepreneurs to integrate product offerings into their social media profiles, making it easier for customers to purchase directly through these platforms. This integration streamlines the customer experience, enabling businesses to convert social media engagement into sales. The visibility and reach provided by social media platforms are invaluable for entrepreneurs seeking to build and grow their businesses in a competitive economy (Fischer & Reuber, 2014).

### **Social Media Effectiveness: Challenges faced by Black Women Entrepreneurs**

For Black women entrepreneurs, a strong social media presence is even more critical because it can help overcome barriers related to visibility and access to traditional business networks. Historically, Black women have been underrepresented in mainstream media and business circles. However, through platforms like Instagram and TikTok, Black women entrepreneurs can connect directly with customers and build loyal audiences. This is particularly important in industries where personal branding and storytelling are key to success, such as beauty, wellness, and fashion. By harnessing social media, Black women can amplify their voices and build digital communities that support their businesses (Mtshali, 2020).

Research shows that women, particularly those from marginalized groups, often face greater challenges in establishing a strong social media presence compared to men and other demographic groups. Faleatua (2018) contends that women experience gendered power dynamics on social media platforms, where societal expectations around gender often influence their engagement and representation. These dynamics make it more difficult for women to use social media as freely and strategically as their male counterparts, particularly when it comes to promoting their businesses.

In addition, while social media has helped provide Black women greater access to mentors and networks, they still face barriers to online visibility and credibility. Cesaroni et al. (2017) shows that women are less likely than men to gain significant traction or influence in online entrepreneurial spaces, partly due to gendered biases in digital marketing and a lack of sponsorship and networking opportunities. And according to Mukolwe & Korir (2016), women entrepreneurs, especially in emerging economies, have highlighted difficulties in leveraging social media effectively due to these ingrained barriers. Thus, while social media offers immense potential, women, particularly Black women, often find themselves at a disadvantage when it comes to capitalizing on these platforms. They are more likely to experience issues like algorithmic bias, lower visibility, and difficulties in navigating online communities that aren't always conducive to their success (Plazibat & Renko, 2020).

Research highlights other barriers women, especially Black women, face when establishing a strong social media presence. While social media theoretically reduces barriers for entry compared to traditional media, it still presents unique challenges for marginalized groups. For example, Black women often face higher rates of harassment and are frequently targeted on platforms like X. Black women are disproportionately subjected to online abuse, which can discourage active participation and engagement on social media platforms (New England Public Media, 2024).

Furthermore, underrepresentation and algorithmic biases on social media platforms can limit Black women's visibility. Beya (2021) suggests that social media algorithms designed to maximize user activity tend to favor content from individuals who fit mainstream standards, which are often "Eurocentric." This makes it harder for Black women to gain traction unless they cater to specific niches or explicitly promote their identity as part of their brand. These challenges are compounded by lower access to professional networks and sponsorship opportunities that are essential for expanding social media influence.

Despite these hurdles, social media remains crucial for Black women entrepreneurs. However, more systemic support is needed, such as the development of equitable algorithms and better mechanisms for reporting and mitigating harassment, to truly level the playing field for women, particularly Black women, in digital spaces (American Psychological Association, 2020).

### **Case Studies: Examples of Black Women's Social Media Success**

Here are 3 examples of Black women entrepreneurs who have successfully overcome algorithmic and societal barriers.

- Melissa Butler, founder of The Lip Bar, initially faced limited mainstream visibility due to her unconventional beauty products and nontraditional marketing. By using platforms like Instagram to showcase authentic storytelling and inclusive branding, The Lip Bar gained significant traction and a dedicated customer base, even securing shelf space at major retailers like Target (American Express, 2019).
- Morgan DeBaun's Blavity was built on social media to engage Black millennials, using data-driven content curation and community-building techniques to expand her brand's reach and influence across multiple platforms (Mtshali, 2020).
- Grace Eleyae's self-named hair care brand grew strongly by targeting natural hair audiences often underserved by mainstream beauty brands. Eleyae leveraged YouTube and Instagram to provide tutorials and product demonstrations that resonated deeply with Black women. By creating educational, niche content addressing haircare needs specific to Black women, her brand was able to foster a loyal community that interacted frequently and authentically, helping it grow despite limited initial funding and advertising resources (Jones & King, 2020).

A key theme across these examples is the importance of brand authenticity and community alignment for Black women entrepreneurs. By catering to the specific needs of their communities with relatable marketing strategies, Black women business owners can engage audiences who feel overlooked by mainstream brands.

## **OVERCOMING IMPEDIMENTS FACED BY BLACK WOMEN IN ESTABLISHING A STRONG SOCIAL MEDIA PRESENCE**

In this section, we list some strategies that would help level the playing field and put Black women entrepreneurs on a similar footing with others in the social media space. These strategies include: altering social media algorithms; educating Black women entrepreneurs on social media strategies, sponsorship by the government and the private sector of social media initiatives, and other government actions, including enforcement of anti-discrimination laws.

### **Alter Social Media Algorithms**

Harvard Business School (2021) asserts that social media algorithms often disadvantage Black women by amplifying content that aligns with mainstream preferences, while deprioritizing content from

marginalized creators. This has led to systemic underrepresentation, biased moderation, and "shadow banning" on platforms like TikTok, where Black creators have complained that their content receives lower visibility compared to others. To mitigate these biases, several strategies have been proposed:

- **Algorithmic Transparency and Audits:** Social media companies can regularly audit their algorithms to assess racial and gender biases. For example, platforms like Facebook have created equity teams to examine how algorithms contribute to racial disparities, while others have developed working groups to address algorithmic discrimination. These audits can help identify biased patterns in how content is promoted or suppressed, allowing for adjustments to the algorithm's processes (Heilweil, 2020).
- **Alter Inputs to "Debias" Algorithms:** Algorithms can be "debiased" by altering the inputs or weights given to certain data. For example, LinkedIn redesigned its recruitment search tool to ensure more gender-balanced results, suggesting similar approaches can help mitigate racial biases in content visibility on social media. These adjustments would ensure that Black creators receive fair exposure, especially in spaces where they have been underrepresented (LinkedIn, 2019).
- **Withhold Sensitive Data:** One technique for reducing bias is limiting sensitive demographic information such as race and gender in the early stages of content recommendations. This could minimize the tendency for algorithms to reinforce existing social biases, particularly in how certain users or content are prioritized in newsfeeds and trending topics (Lee et al, 2019).
- **Encourage Inclusive Design:** Social media companies could integrate inclusive design principles to reduce discrimination. Platforms can promote more equitable outcomes by changing the "default" options and making diversity an explicit design goal. (Senz, 2020).

While some progress has been made, such as TikTok and Instagram's efforts to examine and adjust their algorithms following complaints (Media Bias Institute, 2020), there is still room for improvement. Activist interventions, such as users strategically engaging with content to "boost the algorithm," can raise awareness, but long-term solutions require structural changes within the companies themselves, including better public policies and accountability measures to reduce algorithmic bias.

### **Educate Black Women Entrepreneurs on Effective Social Media Tactics and Strategies**

To overcome obstacles and build a strong social media presence, Black women entrepreneurs can adopt several strategies that maximize visibility, engagement, and growth despite systemic challenges. Here are a few key strategies:

- **Leverage Niche Audiences and Authentic Storytelling:** Black women entrepreneurs can connect with niche markets by crafting authentic and relatable stories. By highlighting their unique experiences and values, they can build a loyal following that identifies with their narrative. Authentic storytelling humanizes the brand, which resonates with customers and increases engagement on social platforms like Instagram, TikTok, and Facebook (Frechette, 2023).
- **Collaborate with Influencers and Other Entrepreneurs:** Black women entrepreneurs can increase visibility by partnering with influencers, particularly those within the Black community or allied groups. Cross-promotion with other small businesses can also expand audience reach and introduce new customers (Frechette, 2023).
- **Leverage Social Media Analytics and Paid Promotions:** Utilizing analytics tools such as those offered by Instagram, Facebook, and Twitter can help entrepreneurs better understand their audience, optimize content, and improve engagement. Paid promotions, particularly those targeted at specific demographics, can increase visibility and circumvent potential algorithmic disadvantages (Harvard Business School, 2021).
- **Use Hashtags and Trends Strategically:** Hashtags effectively increase content discoverability, particularly for small businesses. By participating in trending conversations or using

community-specific hashtags, Black women entrepreneurs can increase their visibility across platforms (Harvard Business School, 2021).

- Engage with the Community and Build Networks: Active involvement in online communities (such as Black-owned business groups on LinkedIn or Facebook) can provide valuable networking opportunities and increase a brand's visibility (Stearns Bank, 2023).

### **Social Media Education: Sponsorship by Government and Private Initiatives**

Both the government and private sector benefactors, such as Goldman Sachs' One Million Black Women initiative, could play a significant role in sponsoring training programs to help Black women entrepreneurs enhance their social media skills. These programs could include:

- Workshops on Social Media Marketing: Offering tailored workshops that teach strategies for navigating platform algorithms, improving content visibility, and optimizing paid ads.
- Grants for Digital Tools: Providing access to paid promotion budgets or premium tools like analytics platforms to help Black women entrepreneurs compete on a more level playing field.
- Mentorship and Networking Programs: Connecting Black women entrepreneurs with successful social media influencers and marketers to provide guidance on building a strong digital presence.
- Public Policy for Digital Equity: Government-sponsored programs could advocate for algorithmic transparency and fairness to reduce systemic bias on social media platforms.

Such initiatives could be instrumental in reducing the obstacles that Black women face in achieving success through social media. These programs would promote entrepreneurship and contribute to reducing the racial wealth gap by supporting underrepresented communities.

### **Other Government Action to Support Black Women Entrepreneurs on Social Media**

Beyond sponsoring training and mentorship, the government can play an important role in helping Black women entrepreneurs overcome obstacles to a strong social media presence through the following avenues:

#### *Enforcing Anti-Discrimination and Fairness in Social Media Platforms*

Existing anti-discrimination laws, such as the Civil Rights Act and Equal Employment Opportunity laws, can be enforced in the context of digital platforms. Social media companies often use algorithms that, either intentionally or unintentionally, disadvantage Black creators. Government regulators like the Federal Trade Commission could ensure that these platforms are held accountable for discriminatory practices and require transparency in how algorithms work (Harvard Business School, 2021).

In addition, new laws requiring algorithmic transparency and audits could be introduced to ensure platforms are not disproportionately limiting the visibility of Black women entrepreneurs or their businesses. Platforms could be required to publish reports showing how their algorithms treat content from diverse creators to ensure equity. Finally, governments could augment enforcement of existing anti-discrimination laws to prevent biased algorithmic decisions from unfairly penalizing marginalized groups. For instance, platforms could be held accountable if evidence emerges that Black women are being systematically disadvantaged in the promotion of their content compared to other groups.

#### *Incentivizing Social Media Platforms to Promote Diverse Content*

The government could incentivize social media platforms to prioritize and promote content from underrepresented groups. This could involve offering tax breaks, grants, or subsidies to platforms that implement and uphold diversity goals. Similar to corporate diversity goals, platforms could be required to implement diversity benchmarks in their algorithms (Stearns Bank, 2023).

New public reporting requirements could also be imposed on social media platforms, requiring them to publicly report on diversity metrics related to user engagement, visibility, and monetization, ensuring they promote an equitable environment for all creators.

### *Strengthening Digital Privacy and Data Protection Laws*

Privacy laws like the General Data Protection Regulation in Europe set an example for stricter data protection regulations. In the U.S., adopting stronger digital privacy and data protection regulations could help ensure that Black women entrepreneurs are not subject to biased data collection practices, which can influence how their content is ranked and promoted (Dessi, 2020).

New Data Privacy Legislation focused on protecting user data could reduce biases in content promotion algorithms by ensuring data collection practices do not reinforce stereotypes or biases. This could include limitations on collecting sensitive demographic data unless explicitly necessary for the platform's function.

### *Access to Capital Through Government-Backed Programs*

In addition to improving social media visibility, governments can ensure that Black women entrepreneurs have access to capital. As mentioned earlier, 61% of Black women entrepreneurs rely on self-funding. Expanding access to government-backed loans, grants, and subsidized advertising programs specifically targeting minority-owned businesses could help level the playing field and allow for more competitive advertising spending on social media platforms (Stearns Bank, 2023).

### *Consumer Protection Against Algorithmic Bias*

Governments could introduce consumer protection laws that address algorithmic bias, ensuring that consumers (including entrepreneurs) have recourse if they believe platform algorithms have unfairly disadvantaged them. This could include giving users the ability to appeal content ranking decisions or seek damages if biased algorithms systematically disadvantage them.

For example, the Algorithmic Accountability Act of 2023 is a proposed bill in the U.S. aimed at preventing algorithmic bias. It would mandate that companies assess the impact of their algorithms on marginalized groups and make this information publicly available. Such legislation could force social media platforms to make algorithmic decision-making more equitable (U.S. Senate 2023).

By employing a combination of new laws, enforcement of existing regulations, and incentives for platforms, the government can help create a fairer digital marketplace where Black women entrepreneurs can thrive.

## **TWO RESEARCH PROPOSALS: EXPLORING HOW EFFECTIVELY BLACK WOMEN ENTREPRENEURS USE SOCIAL MEDIA**

Thus far we have surveyed some of the research related to the importance of social media for entrepreneurial success, impediments that Black women entrepreneurs face using social media for their own entrepreneurial success, and possible solutions to help Black women overcome these impediments. Most of the research we have surveyed is descriptive, conversational, and based on observational evidence. Little direct empirical data has been gathered to further assess this situation. We therefore propose two empirical research studies that could shed light on this issue, using an analytic framework that has already been employed to investigate the effect of social media on entrepreneurial success.

Successful entrepreneurship can be divided into three parts:

1. Identifying a business opportunity (Opportunity Recognition, OR)
2. Funding and starting a new business to take advantage of the business opportunity
3. Running a successful, profitable and growing business (Business Performance, BP)

In the following pages, we describe several existing studies related to OR and BP, and we propose new research studies which could employ a similar framework to these existing studies, narrowing the focus to how effectively Black women entrepreneurs use social media.

### **Measuring Social Media's Influence on Opportunity Recognition (OR)**

Researchers have employed structural models and statistical techniques to show how a strong social media presence positively affects the ability of individuals to identify new business opportunities

(entrepreneurial opportunity recognition, or OR) by facilitating visibility, networking, and customer interaction.

Below is the structure of a model employed by Ceptureanu et al. (2020), who found that social media engagement positively influenced OR. Social media's role in enhancing networking opportunities and visibility was found to be significant, confirming its important influence on entrepreneurship. A similar model employed by Mumi (2021) found that entrepreneurs who actively engage with social media platforms for opportunity recognition benefit from enhanced networking and real-time feedback, which significantly improves their ability to identify new business opportunities, particularly when combined with effectual thinking

### **General Model Structure**

The relationship between social media engagement, entrepreneurial alertness and opportunity recognition is captured using the following linear equation:

$$OR = \beta_1(SME) + \beta_2(EA) + \epsilon \quad (1)$$

Where:

EA is Entrepreneurial Alertness, representing an entrepreneur's ability to be aware of new opportunities.  
SME is Social Media Engagement, representing an entrepreneur's active and strategic participation on social media.

OR is Opportunity Recognition, representing the ability to identify new business opportunities.

$\beta_1$  and  $\beta_2$  are coefficients indicating the strength of the relationship between each factor and opportunity recognition.

$\epsilon$  is an error term accounting for other influences not captured by the model.

### *Measuring SME and EA*

Social Media Engagement (SME) was measured using an index that includes the number of followers, engagement rate (e.g., likes, comments, and shares), and post frequency. Entrepreneurial Alertness (EA) was assessed through responses to Likert-scaled survey questions designed to capture entrepreneurial behaviors and mindsets. Sample statements included, "I often think about ways to exploit new opportunities," and "I am always looking for ways to improve my business."

### *Empirical Application of the Model*

Ceptureanu et al. (2020), applied the model to a sample of 354 entrepreneurs. The findings showed that social media engagement positively influenced opportunity recognition. Social media's role in enhancing networking opportunities and visibility was found to be statistically significant, confirming its direct and indirect influence on entrepreneurship.

### **Suggested New Empirical Research Study #1: Social Media Engagement and Entrepreneurial Opportunity Recognition (OR) for Black Women Entrepreneurs**

One can harness the framework of Mumi (2021) and Ceptureanu et al. (2020) by narrowing the focus to Black women entrepreneurs. This research can highlight how social media platforms can act as tools of empowerment, despite potential structural barriers. Such a study can analyze whether entrepreneurial alertness and networking play a significant role in identifying and exploiting new business opportunities, by exploring the following hypothesis:

### *Hypothesis and Design*

The study's hypothesis is that social media engagement positively influences entrepreneurial opportunity recognition (OR) among Black women entrepreneurs. The methodology for this study is inspired by the approaches used by Mumi (2021) and Ceptureanu et al. (2020). The sample will consist of several hundred Black women entrepreneurs representing various industries who actively utilize social



media. Data collection will be conducted through survey-based questionnaires, measuring variables such as social media engagement (e.g., number of followers and engagement rates), entrepreneurial alertness, social networks, and opportunity recognition. Additionally, platform metrics like Social Blade will be employed to supplement the survey data.

*Potential Contributions of the Suggested Research:*

This research aims to provide valuable insights into Black women entrepreneurs' unique challenges and opportunities in leveraging social media to enhance opportunity recognition. Additionally, it seeks to contribute to the limited body of literature on minority women in entrepreneurship by offering a nuanced understanding of how social media can empower marginalized groups to identify and capitalize on business opportunities.

**Measuring Social Media's Influence on Business Performance (BP)**

Several empirical studies have shown a positive relationship between a small business owner's social media presence and their firm's success. These studies suggest that when used effectively, social media presence can lead to performance for small businesses by increasing brand visibility and fostering customer loyalty, which translates into higher revenues and profits. For example, Ravaonorohanta and Sayumwe (2020) looked at companies' presence on Twitter (now known as X) and demonstrated that active social media use correlated with improved organizational performance, including metrics like sales and profit growth. This study highlighted how consistent and strategic social media engagement, including timely customer interaction and content relevance, can boost a company's financial outcomes.

Below is the structural model of another related research study, by Marolt et al. (2022), who studied the importance of social media presence on business performance of small- and medium-sized businesses. The model has a structure similar to Ceptureanu et al. (2020).

*General Model Structure*

The relationship between competitive advantage, social media engagement and business performance is captured using the following linear equation:

$$BP = a_1(SME) + a_2(CA) + \epsilon \tag{2}$$

Where:

CA is Competitive Advantage, representing the ability of a business to outperform its competitors by leveraging social media and relational capabilities.

SME is Social Media Engagement, representing an entrepreneur's active and strategic participation on social media.

BP is Business Performance, representing the level of financial and non-financial success of the firm.

$a_1$  and  $a_2$  are coefficients indicating the strength of the relationship between each factor and business performance.

$\epsilon$  is an error term accounting for other influences not captured by the model.

*Measuring SME, CA and BP*

Social Media Engagement (SME) is measured using an index comprising the number of followers, engagement rate (e.g., likes, comments, and shares), and post frequency. Competitive Advantage (CA) is assessed through survey responses from business owners, focusing on factors such as the frequency of the firm's engagement with established customers and its ability to foster long-term relationships with customers. Business Performance (BP) is evaluated using key indicators, including revenue growth, profitability, customer retention, and customer satisfaction.

### *Empirical Application of the Model*

Marolt et al. (2022), examined 202 small- and medium-sized enterprises from Slovenia. The research found that social media engagement enhances business performance indirectly by building relational social commerce capability and competitive advantage. Social media itself did not directly impact competitive advantage. Still, when firms used it to cultivate relationships and trust with customers, it significantly contributed to both competitive advantage and improved business performance.

### **Suggested New Empirical Research Study #2: Social Media Engagement and Business Performance (BP) Among Black Women Entrepreneurs**

One can harness the framework of Marolt et al (2022) by narrowing the focus to Black women entrepreneurs. The study can examine how social media engagement impacts competitive advantage and overall business performance (BP) in Black women-owned small- and medium-sized enterprises.

### *Hypothesis and Design*

The study hypothesizes that social media engagement positively influences business performance (BP) among Black women entrepreneurs. The study's design follows an approach similar to that of Marolt et al. (2022). The sample will include several hundred Black women entrepreneurs from various industries who actively use social media to support their businesses. Data collection will involve survey-based questionnaires measuring key variables such as social media engagement (e.g., number of followers and engagement rate), competitive advantage, business performance, and algorithmic bias.

### *Potential Contributions of the suggested research*

This study would provide empirical evidence on social media's impact on Black women entrepreneurs' business performance, contributing to the literature on entrepreneurship and digital inequality. Focusing on Black women would highlight the specific algorithmic and visibility challenges they face while offering actionable insights to help overcome these barriers. The findings could also inform policy recommendations for social media platforms and government initiatives designed to create a more equitable digital environment for Black women entrepreneurs.

## **CONCLUSION**

Entrepreneurship holds immense potential for advancing social and economic mobility, particularly for Black women, yet systemic challenges hinder their ability to fully harness the power of digital platforms. Social media presents a unique opportunity for Black women entrepreneurs to amplify their voices, build community, and reach a wider customer base. However, addressing barriers like algorithmic biases, lack of access to capital, and underrepresentation will require concerted efforts from both the private and public sectors. Government initiatives, corporate programs like Goldman Sachs' One Million Black Women initiative, and targeted training in social media strategies can collectively contribute to leveling the playing field. More empirical research is also needed to fully understand the current status of Black women entrepreneurs as they try to establish a successful social media presence. By engaging in more data-driven research and supporting Black women entrepreneurs in overcoming social media obstacles, we can foster a more inclusive and prosperous entrepreneurial landscape that benefits not just Black women entrepreneurs but society as a whole, because entrepreneurship powers the economic engine of a flourishing free society.

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