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RESEARCH ARTICLE

Digital and Social Media Marketing - Growing Market Share for Construction SMEs

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Abstract

The construction industry has not been an early adopter of social media and digital marketing, due largely to lack of knowledge of and skills in these areas. Nevertheless, effectively deployed, digital and social media marketing can be a disruptive force allowing smaller residential construction companies to build brand awareness and win business from larger competitors. This study uses a qualitative approach - interviews with residential construction small to medium enterprises (SMEs) and adjacent industry actors - to obtain data addressing the key questions of the residential construction sector SMEs' digital marketing attitudes and capabilities; whether digital and social media marketing is as or more effective than traditional marketing strategies; and the challenges facing SMEs in making effective use of digital marketing strategies. The findings confirm widespread recognition of the value of digital marketing strategies among SMEs but reveal that uptake and effective use of digital marketing is undermined by deficiencies in external environment analysis and a lack of the investment and training needed to plan, monitor and maintain effective and up-to-date marketing mixes, strategies and objectives. Based on the findings, recommendations are offered for improving residential construction SMEs' uptake and effective use of digital and social media marketing.

Keywords

Brand Equity; Digital Marketing; SMEs; Social Media; Residential Construction

Introduction

The 1993 announcement that Sydney had won the right to host the 2000 Olympic Games, together with sustained high-level economic growth throughout the 1990s and into the 2000s, sparked a surge in housing investment in Australia and drove the country's largest long-term boom in the residential construction sector (Figure 1). The continued growth in housing demand, unsurprisingly, also saw many start-up businesses competing for market share, with the number of residential construction companies in Australia more than doubling between 1996 and 2015, from 19,403 to 42,673 (ABS, 2018).

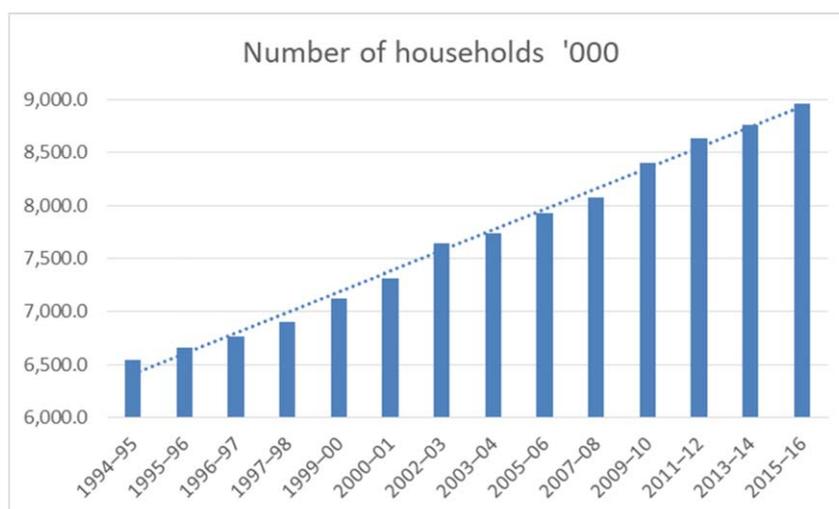


Figure 1. Number of households (ABS, 2017).

The beginning of this housing boom roughly coincided with the start of a seismic change in the marketing world: the emergence of the internet. As of 1994, the preferred and most widely accessible market strategy in Australia was print advertising (followed by radio and television advertising); that year, Australian companies spent \$2.1 billion on print advertising (ABS, 1999). At its peak, print advertising accounted for 70 per cent of media revenue, with revenues continuing to climb until a decline commenced in 2008 (Papandrea, 2013). For much of this period, Australia's print media were dominated by four companies: News Corporation, Fairfax, Seven West Media and APN News and Media. Their market dominance restricted competition and ensured that advertising channels remained restrictive and expensive (Papandrea, 2013). For many businesses – especially SMEs in the residential construction sector could not afford television or regular newspaper advertising – the only affordable option for reaching a large audience was to appear in hard-copy business classifieds directories, such as the Yellow Pages.

The year 1994 has been called the “Year of the Internet” (Johnson, 2010) and heralded the emergence of a new platform that would ultimately threaten the advertising revenues and competitive advantage of Australia's large media corporations. Initially, however – between 1994 and 2000 – low take-up of internet-based marketing led many to wonder whether the internet was a major threat to traditional print marketing after all. Before 2000, the marketing preferences of most Australian companies remained newspapers, television and radio. However, internet-based marketing strategies began to emerge in the late 1990s and online marketing accelerated dramatically beginning in the early 2000s. Figure 2 illustrates how quickly internet-based advertising gained market share from 2001.

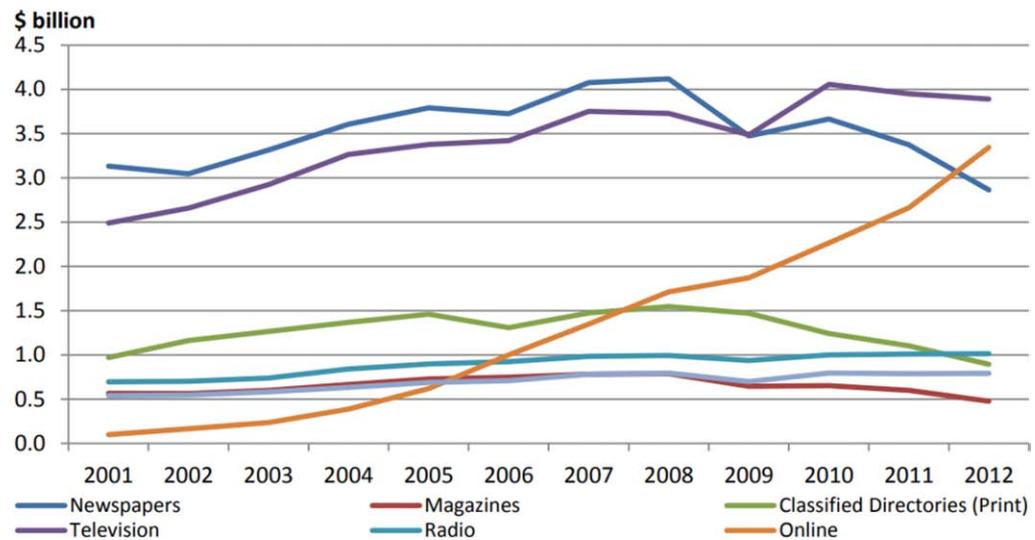


Figure 2. Marketing expenditure (advertising) by strategy (CEASA, 2012).

In the early period of take-up (2000–2005), online marketing and advertising mostly involved digital banners on websites, email marketing, online business directories, company websites and the emergence of industry-specific websites (Figure 3). Nonetheless, the low cost of internet advertising made it easier for residential construction SMEs to reach a broad audience. For example, Australia's largest home sales site, www.realestate.com.au, went live in 1995, introduced advertising as an alternative revenue source in 1998 and reached a million unique visits a month in 2004 (REA Group, 2018).

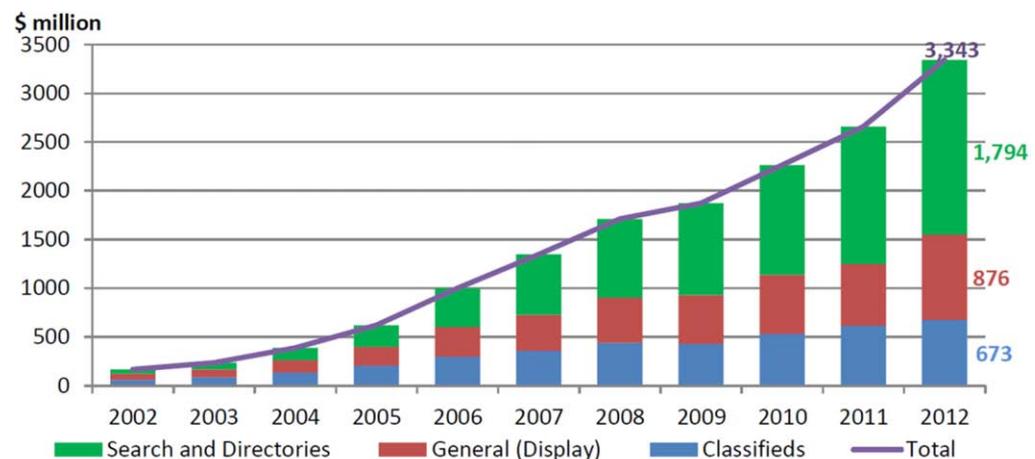


Figure 3. Components of online advertising (CEASA, 2012).

As the number and variety of devices able to access online information grew, online advertising grew with it. The emergence of social media site Facebook in 2004 heralded a new era of advertising and helped make digital a genuine marketing category. While digital marketing did not seriously threaten traditional media until around the time of the Global Financial Crisis in 2007 (IAB, 2007), it began thereafter to increasingly take market share away from traditional advertising and rapidly established itself as a dominant market strategy. The trend was reinforced by the release of the smartphone in 2007 (Cohen, 2007) and accelerated further as new social media apps began to emerge for mobile devices. Across all Australian industries,

mobile and social media marketing spend increased from 6% of all digital marketing spend in 2012 to 52% in 2017 ([IAB, 2018](#)). [Figure 4](#) shows marketing preferences (by expenditure) of Australian companies in 2013, by which time digital had already become the dominant marketing strategy for most companies.

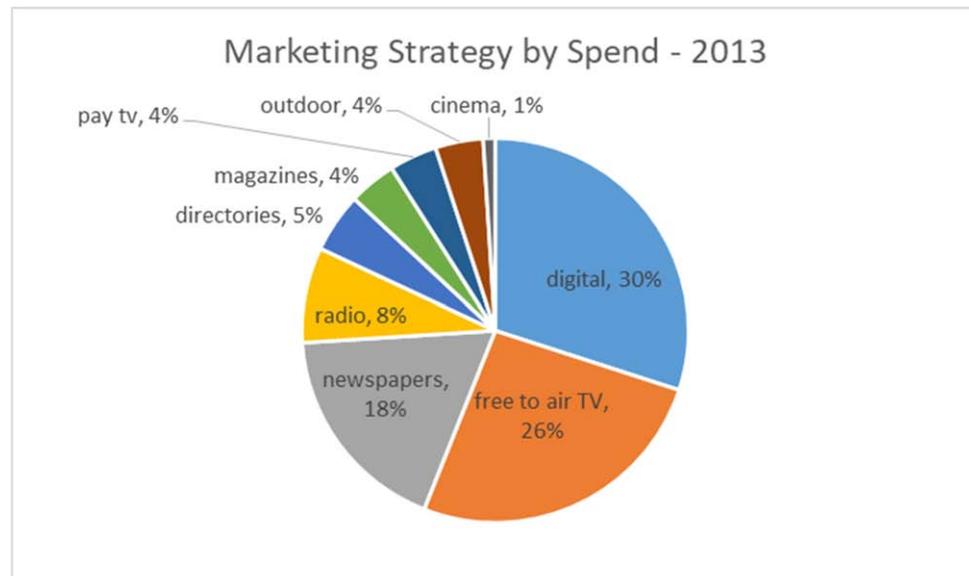


Figure 4. Marketing strategy by spend (CEASA, 2013).

The Australian residential construction industry is facing a significant downturn driven by tighter lending standards, low wage growth, economic uncertainty, reduced foreign investment demand and reduced land supply ([Kelly, 2018](#)). Many construction companies face smaller profit margins as builders reduce margins to remain competitive. This is having a dramatic impact on small and medium enterprises (SMEs) as they struggle to grow and maintain market share against much larger and better-equipped competitors. Traditionally, the residential construction industry has not been a ready adopter of social media and digital marketing, but authors such as [Parveen, Jaafar and Ainin \(2016\)](#), [Stewart and Pavlou \(2002\)](#) and [Quinn, et al. \(2016\)](#) believe digital marketing techniques and greater use of social media can expand brand awareness and achieve more effective business outcomes. However, there has been very limited studies on this topic. This study therefore aims to investigate whether social media marketing and digital marketing could be a cost-effective alternative to the more traditional marketing strategies, to enable SMEs to grow or protect their market share. Following a review of the literature on marketing and digital marketing, key themes are identified from data obtained predominantly through qualitative primary research. A discussion of the findings leads to a number of recommendations for improving SMEs' uptake and effective use of digital and social media marketing.

Literature review – benefits and challenges of digital marketing

Digital marketing techniques and social media offer benefits across all market segments and industries, but they would appear to offer a significant multiplier effect for SMEs in particular, including those in the construction sector. The most obvious benefit of internet and social media is that they reduce costs by supplementing media spend for more extensive but better-targeted audience reach ([Paswan, 2018](#)). Housing and construction firms may spend 6–11% of their revenue on traditional advertising each year ([Deloitte, 2018](#)), but an increasing number of companies are choosing to divert a greater portion of their marketing spend – in some cases, up to 60% – to online marketing ([Deloitte, 2018](#)). The internet has greatly improved

the ease and effectiveness of purchasing display ads or paid searches ([Fulgoni, 2015](#)), while social media have enabled an explosion in no- or low-cost organic marketing, whereby a company creates content and shares it amongst its social media followers ([Lipsman, et al., 2012](#)).

Social media can also be used to boost brand equity by helping to increase brand awareness, extend brand association and improve perceived brand quality ([Khajuria and Rachna, 2017](#)). Brand equity, best defined as the measure of brand strength and brand value ([Lassar, Mittal and Sharma, 1995](#)), can be increased by using social media to demonstrate a track record in the industry, the value-add to the consumer and a positive image by way of community engagement ([Yazdanparast, Joseph and Muniz, 2016](#)). Social media can also be used to establish trustworthiness and excellent customer experience in an industry plagued by customer complaints ([Kim and Ko, 2012](#)).

Additionally, by immeasurably increasing access to information the internet takes some of the hard work and expense out of market research. Companies can acquire – at little or no cost – information on and insight into the market, their competitors, and potential customers and their needs, much of it generated by social media users ([Parveen, Jaafar and Ainin, 2014](#)). Customers use social media to efficiently gather and share data and opinions, making them active generators, and research indicates that user-generated content and electronic word-of-mouth positively influence purchase intentions ([Lee and Youn, 2009](#)). The impact for companies is that social media interactions regarding their business may be occurring all the time; how well they harness this activity can determine whether they succeed and survive in the new era of online marketing.

At the same time, the new era has exacerbated or created challenges in designing and implementing successful market strategies. Key features of the online market include empowered customers and direct relationships (e.g., it is easier for customers to contact the company directly), increasing channel fragmentation (more channel segments carrying fewer people on each) and customers' evolving channel needs ([van Bruggen, et al., 2010](#)). To succeed, companies must provide a broader view of products and services, expect that channels will continue to evolve, and be prepared to face a broadened view of distribution intensity ([van Bruggen, et al., 2010](#)).

Commentators have noted that as industries and markets become more complex, companies are scrambling to build and maintain capabilities to respond with new thinking and new marketing strategies ([Hagel, Brown and Davison, 2009](#)). Contemporary marketing strategies require insight to help anticipate market changes and new disruptors, willingness to experiment with different marketing approaches, and more open marketing that disintermediates the company and the customer ([Day, 2011](#)). This creates another challenge: many companies struggle to identify, attract and retain skilled talent to fill key marketing roles. There is a shortage of people with deep knowledge and experience across technology-related marketing strategies (social networking, big data, artificial intelligence, digital media etc.) ([Beach, 2019](#)). Moreover, these people tend to be attracted to high-profile, high-tech companies with a strong employee proposition, making it harder for smaller companies to hire them ([Beach, 2019](#)).

Companies may struggle to address these challenges due to organisational rigidities. They may have developed a particular marketing capability, and some may continue with this static capability long past its point of obsolescence, inhibiting innovation ([Rawley, 2010](#)). In doing so they fail to experiment with or explore different marketing options ([March, 1991](#)). A similar problem is companies waiting too long to analyse the results and effectiveness of their marketing campaigns, creating lag in adjusting their marketing strategies ([Vukomanovic, Radujkovic and Nahod, 2010](#)). For many companies – particularly smaller businesses – the pace of change and rapid advances in technology and internet marketing mean there is insufficient time to absorb and analyse all the data and formulate an appropriate response.

Despite these resource- and technology-based challenges, businesses continue to increase their uptake of newer and more technically advanced marketing capabilities to grow their brands, reach new demographics,

engage with more prospective customers and, ultimately, grow their market share. SMEs that can exploit internet-enabled digital channels will amplify their marketing exposure beyond what was possible under more traditional approaches. Many SMEs in the residential construction sector traditionally spend around 10% of annual revenue on marketing, they may now be more inclined to leverage digital marketing platforms due to the reduced upfront costs.

For many SMEs in the construction industry, where margins are tight and brand damage can be fatal, internet and social media strategies can provide an affordable competitive advantage. Social media, in particular, can facilitate innovative ways for company information, products and services to be shared amongst customers, prospects and partners. While different industries have embraced the internet and social media at different speeds, there would be few commercial concerns without some type of internet presence in today's market. Nonetheless, there is a paucity of evidence to indicate how well new marketing technologies are being utilised by residential construction SMEs, what impact they can have for such businesses and what challenges and implications they raise for SMEs in the construction sector.

To address this gap, the current study sought answers to three research questions:

1. Are SMEs ready, willing and able to embrace greater digital and social media marketing adoption in order to boost their marketing activities in an increasingly competitive market?
2. Can digital and social marketing strategies achieve company objectives and outcomes better than or equal to traditional marketing strategies?
3. What challenges and implications exist for SMEs aiming to embrace and use digital or social media marketing strategies against their competitors?

Research Method

Data were obtained predominantly through qualitative primary research, with some secondary research for context on the residential construction industry. The choice of a qualitative approach was influenced by a recent study ([Quinn, et al., 2016](#)) that used a qualitative approach to understand how organisations have changed their marketing strategies in response to the digitisation of their business models and customer expectations. Following thorough data analysis, that study was able to provide a detailed interpretation that provided recommendations for organisations to consider in moving their marketing strategies towards a stronger digital focus. The parallels with the current study are strong and it was assessed that the qualitative approach adopted by [Quinn, et al. \(2016\)](#) would be effective for the inquiry, critical reflection and insight needed to answer the current research questions.

With regards to primary research, a series of face-to-face interviews twenty-three in total were conducted with residential construction SME owners and the most senior person within those companies responsible for marketing. To qualify for the interview, the company had to meet the Australian Bureau of Statistics criteria for a small to medium enterprise (SME). A small business is defined as employing fewer than 20 people, and a medium business employs 20 to 199 people ([ABS, 2018](#)). Data were also obtained from face-to-face interviews with SME's who work closely with residential builders to determine whether the results obtained from the residential builders were visible in other similar SME's ([Table 1](#)). A copy of the interview questions can be found in Appendix A. Responses were analysed and grouped into themes to assist with classifying responses and identifying patterns.

Table 1. Overview of key respondents with reoccurring themes

Respondent	Industry	Company Details	Role
A	Housing Construction	\$94m turnover, 62 staff, Sydney and greater NSW residential builder	Owner
B	Housing Construction		Head of Sales and Marketing
C	Housing Construction	\$35rn turnover, 15 staff, residential builder Wollongong and NSW south coast	Owner/Manager
D	Housing Construction		Owner /Manager
E	Kitchen and joinery Construction	\$19rn turnover, 14 staff, Sydney NSW	Owner
F	Landscaping	\$8m turnover, 14 staff, Greater Sydney area NSW	Owner
G	Flooring	\$18m turnover, 14 staff, NSW	General Manager
H	Ceramic Tiling	\$16m turnover, 18 staff, Greater Sydney NSW	Owner/Manager

With regards to secondary research, data on residential construction marketing, insights into the industry and other economic data were extracted from the Housing Industry Association's database.

Key Findings

The interviews provided interesting insights into SMEs' views of competitive factors and how they were responding. Responses extended beyond discussion of marketing strategies and communication methods; indeed, many respondents identified a pre-occupation with digital and social media marketing as the bugbear of their industry.

A phenomenological approach similar to that used by [Quinn, et al, \(2016\)](#), was adopted in analysing interview responses to identify key themes. The responses were catalogued in an Excel datasheet and the top three themes per question were identified. These themes were then grouped into four broader themes or categories: deficiencies in external environment analysis, changes to the marketing mix, changes to marketing communication strategies, and trends in marketing communication objectives. The following sections discuss comments made by the respondents across these four categories.

DEFICIENCIES IN EXTERNAL ENVIRONMENT ANALYSIS

All respondents commented on how rapidly their industries were changing, noting that marketing and product decisions made five or ten years ago were not necessarily effective today. Some noted that they had allowed themselves to become isolated from the broader market, focusing exclusively on internal company factors and issues. Majority of respondents also alluded to the fact that they are not marketing gurus and marketing usually takes a backseat to core business operations.

I don't spend enough time thinking about external factors. I don't know why – I guess I am too time poor and don't know what to look for. I have never had to worry about this stuff before. But now I know I have to. This industry is changing so fast these days. (Respondent C)

The respondents noted that their market was becoming more complex, making it more difficult to forecast business results and achieve intended benefits. One frequent comment noted downward pressure on margins from factors beyond the companies' control. While the nature of the work had not changed that much, it was observed that the skills needed – particularly around understanding suppliers, pricing, customer preferences and industry trends – were increasingly critical to competitive success.

The two hardest things in our industry has always been changes in government legislation and costs I can't control. I am annoyed that my guys can't better predict or forecast these costs when we do our annual plans. Even our marketing budget is becoming harder to estimate. There's too many external factors to consider and keeping up with them all is a lot of work. (Respondent A)

Respondents noted that they were not necessarily on top of the changing nature of their environment, relying mainly on personal networks and the occasional publication for industry news. Only one respondent held a regular (annual) management planning day to look at external factors.

For many respondents, it was difficult to manage the complex business conditions, trying to second-guess competitors and needing to spend more time responding to competitive pressures. Several commented on the importance of 'getting on top' of their market to grow their businesses; however, they felt that larger, better-resourced companies would outplay them on market share tactics.

CHANGES TO THE MARKETING MIX

Nearly all respondents noted they needed greater focus on their marketing mix – their product and services, constructs and pricing – on top of marketing strategies and communications. Respondents commented on how competitive the industry had become and observed that larger competitors were not afraid to lower prices to unsustainable levels in order to maintain market share. This was not always translated into marketing strategies, but respondents noted that many of their large competitors would heavily promote price changes across all their marketing channels.

Our competitors change their prices all the time, and they are excellent at putting their new prices into their ads, especially their TV and online ads. It hurts us because then customers come and ask us if we can match those prices. (Respondent D)

Another notable trend was that product quality needed to keep evolving, as customers had increasing expectations regarding 'standard features'. This meant the product mix had to be reviewed more frequently and, consequently, that advertising had a shorter shelf-life. One company noted that ten years ago they could advertise a house-and-land package at a price that would apply for the whole year; today, some prices could not stay constant for more than 180 days. A common observation was that respondents felt they had to be more aware of competitors' product and price changes than of their marketing strategies. Three respondents noted that they were increasingly reflecting on product quality and value for money in their advertising to combat similar moves by competitors. Most respondents explained that the cost and scope of their marketing activities were driven by how aggressively they needed to respond to competitor strategies and that, given their smaller size, they were happy to be laggards and wait to see their competitors' new ads before launching their own. This delayed reaction approach was coupled with

It has become harder to claim that you offer value for money these days. Everyone is saying it. We can't just say it, we have to actually deliver a better product and a better service every time, or we will be rubbished, and complaints made against us. (Respondent A)

CHANGES TO MARKETING COMMUNICATION STRATEGIES

All respondents acknowledged that they increasingly use digital and social media marketing strategies. There was a strong, positive view of the impact and effectiveness of digital marketing. For many, digital and social media marketing were necessary tools to fight back and protect market share from larger competitors who were expanding their online presence. All respondents noted that cost, speed of deployment and customer preferences were the main reason for deploying digital strategies. However, most also noted that they pursued social media marketing strategies because everyone else was doing it.

I don't know if I really had a choice to not use Facebook or Instagram as new marketing tools. All new customers lately seem to scan your social media pages before your website these days. I even had a couple in their early fifties ask me why they couldn't find my Instagram page. (Respondent E)

The most frequently used digital platforms were company websites and Facebook pages (Table 2). Only two used more than three digital and social media strategies. When quizzed why they had multiple strategies, respondents indicated that they believed it would generate a higher ranking in Google search results and increase visibility to wider audience.

Table 2. Summary of digital and social strategies used

Respondent	Website	Facebook	You Tube	Instagram	Twitter	Pinterest
A	✓	✓	✓	✓	✓	
B	✓	✓	✓	✓	✓	
C	✓	✓	✓			
D	✓	✓	✓			
E	✓	✓				
F	✓			✓		
G	✓	✓				
H	✓	✓				✓

Surprisingly, while most respondents were using some form of social media marketing, many did not know how their social media platform works, how customers interact with it, how to measure success or results or how to get more customers to engage with posts and content. One respondent noted that he wanted to create videos that would go viral. Upon further enquiry, it emerged that he did not actually understand what the term meant.

I must admit, I don't really understand how Facebook works, how people find me, whether all the time I spend on it is paying off and whether I am getting new business from it. I do it because I have to; it is expected, isn't it? (Respondent C)

Despite apprehensions, the cost-benefit calculation was clear to most respondents. Most automatically factored a significant marketing budget into their annual plans, as if by habit. However, to many respondents digital and social media marketing meant a website and a few social media pages; spending on ad buys inside Facebook, Instagram or YouTube had not been widely explored. The most common reason provided for this was a lack of trust and transparency in the advertising process and a lack of control once the digital ad was paid for. Several respondents commented that while traditional marketing strategies were more expensive, the tangible nature of the advertisement gave them more confidence that the investment was justified.

I don't pay for ads on Facebook. I guess you could say it's a bit of fear and lack of trust. I don't like something I can't control. I don't know who they will share this ad with and if I am getting value for money. I just post photos and comments to my Facebook site and feel that is enough for now. (Respondent G)

A number of respondents noted that social media marketing strategies were a function performed by staff in addition to their 'day jobs', with no dedicated staff hired for the role. It was expected that staff knew how to use most social media platforms or would learn how to use them while working for the company. However, this mainly applied to social media platforms; respondents were much stricter about what was uploaded to their company websites, especially regarding images, product information and prices. When asked why the same rigour was not applied to social media content, the common response was that it felt more casual and genuine if content was shared with less formality and more spontaneity.

A common frustration among respondents was the high-touch, always-on nature of digital and social media marketing. More time was spent during the day and after-hours monitoring comments and responding to customer enquiries. Many respondents felt that the additional time spent was not translating to more sales and were increasingly impatient with online enquiries.

I've got people messaging me on Facebook to send them more photos of our full range, detailed questions about the technical specs of the product, installation costs and all sorts of other queries. I mean, if you want to ask me all that, give me a call or come and visit me in our showroom. (Respondent G)

Despite this, a number of respondents noted a rise in enquiries when social media was used to tell stories about excellent service, especially when the story was told by customers and not the company.

TRENDS IN MARKETING COMMUNICATION OBJECTIVES

The most common reason given for engaging in digital and social media marketing was to generate new leads and increase chatter about the company online. The ultimate objective was to increase the number of calls to the company or visits to their website and get new customers to visit a display centre in person. A majority of respondents noted that most of their online marketing did not advertise short-term deals and prices, unless it was a seasonal campaign, such as during winter when enquiries for new homes are traditionally lowest.

I don't like tacky sales brochures and prices on Facebook. It feels like I am de-valuing a very expensive investment. These people aren't buying clothes; they are looking to buy a house. (Respondent A)

Interestingly, only one respondent commented that their objective was to increase brand awareness so that people associated them with quality products. It is possible the lack of focus on brand awareness reflected a lack of marketing maturity among the respondents.

In a positive sign concerning strategic intent, most respondents noted that whatever their marketing objectives, their strategic objectives were clear; not only to win new customers, but also to stop larger competitors 'stealing' them first. The anecdotal consensus was that larger competitors had more resources at their disposal to achieve their marketing objectives. As a result, some acknowledged that there was little time for setting appropriate objectives and that quick marketing responses were needed to push back against aggressive competitor campaigns.

Don't get me wrong, I understand why we have marketing objectives. But I may spend a week designing a local sales campaign to put on my website and then the next day my biggest local competitor launches a huge price reduction campaign to take advantage of the long weekend. So, I now have to throw out my activities and design a different promotion; otherwise, I will have a terrible weekend. (Respondent H)

Generally, respondents felt that there was a set of objectives intrinsic to all marketing but that sometimes it was hard to articulate them. For example, comments were made regarding the importance of demonstrating

customer service, ethical conduct and staff professionalism. Many felt they were not effective at conveying such messages and that this was costing them enquiries and custom. A few respondents felt that the increasingly digital marketplace made it difficult to set objectives that were not reactive, especially as margins keep getting squeezed by newer entrants – particularly small builders – looking to win work.

While all respondents acknowledged the rapid shift and digital disruption that social media and digital marketing have brought to their industry, while an overwhelming majority took the view that their generation had not grown up in the digital age, nor was there much interest in seeking formal training to leverage the new tools. One benefit all respondents were clearly in favour of was that there is now no need for the traditional allocation a fixed percentage of annual or quarterly revenue to marketing, a saving that in some cases is proving to be vital to cashflow.

Discussion

While this study set out to understand whether digital and social media marketing strategies could help SMEs in the construction sector defend or grow market share in an increasingly competitive market, respondents quickly indicated that their business environment is complex and that multiple marketing factors may impact on profits and growth. Focusing solely on marketing strategies at the expense of broader factors, situational analysis and marketing objectives may actually inhibit business performance ([Boyd, Chandy and Cunha, 2010](#)).

The findings do, however, highlight the need for a change in attitudes towards marketing planning and strategies in smaller organisations. This has implications for how and by whom marketing functions are performed and the priority they are assigned vis-à-vis other business areas. The following discussion breaks down the findings in relation to the research questions that guided this research.

ARE SMES READY, WILLING AND ABLE TO EMBRACE GREATER DIGITAL AND SOCIAL MEDIA MARKETING ADOPTION IN ORDER TO BOOST THEIR MARKETING ACTIVITIES IN AN INCREASINGLY COMPETITIVE MARKET? [RESEARCH QUESTION 1]

All the respondents have some involvement in digital and social media marketing campaigns, but their size, small budgets and limited ability to recruit additional staff prevent them scaling these up beyond their current level of comfort and expertise. The proliferation of social tools and differing levels of adoption across a range of demographic cohorts has left many feeling they cannot keep up with the constant change in, and always-on nature of, their customers. Many SMEs struggle to maintain one social platform and a functioning website, and they face a number of organisational barriers to scaling up their online marketing. One of the biggest barriers is prioritising staff resources/time to oversee social media activities. Change here will require business owners to recognise online marketing as an activity that needs to be nurtured and monitored; the set-and-forget approach of traditional marketing will result in wasted investment of time and money.

Most current business owners in their mid-40s and above have not grown up as digital natives and have struggled to adapt to and take full advantage of new digital and social media marketing tools. Even more concerning is the finding that few actively seek out formal training in how to utilise these tools effectively. Instead, most reported relying on the next generation – their children – to manage online marketing for their business. Where those children are not sufficiently familiar with business and marketing norms around appropriate language and customer awareness, such efforts could be misdirected or even damaging to the company's brand.

Despite these concerns, there exists an appetite amongst SME owners for greater use of these online tools. Most are aware that failure to do so could see their business wither and die. An increasing number of customers choose to engage only online, and SMEs could exploit this preference by appearing in-tune

with those marketing and communication preferences. Doing so would help SMEs compete against large competitors, who have established presences online but are exposed to more negative interactions and comments given their size.

CAN DIGITAL AND SOCIAL MEDIA MARKETING STRATEGIES ACHIEVE COMPANY OBJECTIVES AND OUTCOMES BETTER THAN OR EQUAL TO TRADITIONAL MARKETING STRATEGIES? [RESEARCH QUESTION 2]

Appropriate adoption of digital and social media marketing strategies can provide a cost and efficiency advantage over traditional marketing strategies. However, this depends on the marketing objectives. Companies that focus solely on increasing sales and profits may see little difference in outcome between digital and traditional marketing strategies. It is important that SMEs consciously set, and regularly review, targeted marketing objectives to identify the optimal marketing mix. What emerged from the findings is that companies whose marketing objectives include developing brand awareness, demonstrating brand quality and creating customer advocates tend to generate better business outcomes than those with a reactive marketing strategy involving only sales promotions.

Interestingly, the findings show that SMEs retain a bias towards traditional ‘tangible’ marketing, despite most understanding that digital and social media marketing strategies are cheaper and faster. This bias may perhaps be countered by educating businesses not on the benefits of digital campaigns but on the detriment of not participating in digital and social media marketing. SMEs need to invest time to better understand how online marketing strategies work, how people engage with them, how to best utilise the various platforms for maximum engagement per demographic and how to monitor engagement so that they can have confidence that these digital and social media strategies are helping to achieve their objectives.

The research revealed that SMEs with more than three online marketing strategies integrated with their traditional marketing strategies were achieving favourable business results and had positive customer experiences. One of the keys to effective integration was quick and regular updates to social platforms to share customer stories – for example, handing over the keys to a new homeowner, or achieving a major construction milestone. A set-and-forget approach, conversely, can result in less desirable business outcomes and declining customer engagement.

Ultimately, the most salient observations were the rapid pace of change and that increasing competition meant adopting digital and social media marketing strategies was inevitable if they hoped to grow and compete against their larger rivals. Company owners also want to know on a more regular basis how well their marketing campaigns are performing, and which consumers are responding to different campaigns. The digital and social media marketing campaigns discussed gave these business owners faster and more reliable insights into their customers, allowing them to better serve their needs and deliver business outcomes faster and more efficiently.

WHAT CHALLENGES AND IMPLICATIONS EXIST FOR SMES AIMING TO EMBRACE AND USE DIGITAL OR SOCIAL MEDIA MARKETING STRATEGIES AGAINST THEIR COMPETITORS? [RESEARCH QUESTION 3]

The findings identified a pervasive attitude that marketing is not core business and is not prioritised. Thus, despite recognition of the effort required to establish effective online marketing activities, lack of a dedicated or semi-dedicated staff remained a significant challenge. In consequence, SMEs did not monitor their online campaigns as regularly as their traditional marketing campaigns, despite responding to comments, following up on enquiries and regularly uploading new content being imperative to keep an online audience engaged. This suggests that SMEs have yet to establish positive habits concerning online activities.

Language among older respondents suggested seeking out help to develop digital skills was viewed as a sign of weakness or a waste of time. There was a perception that their age and self-diagnosed diminished capacity to learn new skills somehow negates the need to learn how to market their business in today's digital world. This attitude may reflect the masculine culture common in the construction industry ([Gajendran, et al., 2012](#)), but overcoming such perceptions is critical to ensuring proper training and support.

The challenge of cost and affordability was also regularly raised. While digital and social media marketing activities are cheaper than traditional avenues, they are not free, and value for money and trade-off decisions are important considerations for company owners when designing a marketing strategy. There was a general level of ignorance concerning the cost of becoming established on certain platforms – for example, YouTube, where video advertisements can be quite expensive to produce and run. SMEs, with their limited marketing budgets, will face prioritisation decisions in allocating their budgets across traditional, digital and social media marketing activities.

The findings also suggested that many SMEs may hesitate to increase online marketing activities for fear of a retaliatory response from larger competitors. Current construction industry behaviours and business practices suggest that larger competitors will push back and increase their own digital and social media marketing activities in the event that online marketing from SMEs shifts the market share mix. Aggressive counter-marketing from competitors should be anticipated.

These research findings are consistent with the themes identified by [Quinn, et al. \(2016\)](#), who suggest that the recent explosion in marketing data and advancements in marketing analytics bring huge opportunities to market insight, identification of target markets, better understanding of competitor movements and providing broader insights that can inform marketing strategy.

Conclusion

This study set out to examine whether digital and social media marketing strategies could be used by SMEs to maintain or grow market share in the increasingly competitive residential construction market. The research revealed a general positive appetite and a healthy level of existing uptake of online activities amongst smaller firms. However, it was also noted that older company directors did retain a bias towards traditional tangible marketing i.e., print media advertisement. This being said, SMEs with more than three online marketing strategies integrated with traditional marketing strategies were achieving favourable results. Overall, the findings indicated that provided digital and social media marketing strategies are adopted and maintained correctly, they are an effective and cost-efficient means for SMEs to win more customers, boost customer engagement and increase brand awareness amongst a wider demographic of potential customers. These findings are consistent with those found in other industries grappling with the same digital and social media marketing strategy challenges ([Quinn, et al., 2016](#)). However, the research also concluded that additional marketing considerations are just as important, including insights into the external environment, understanding and refining the marketing mix and defining better and broader marketing communication objectives. Small and medium enterprises can expect improved business outcomes and increased customer engagement if they implement a successful and diverse online marketing campaign. However, they must recognise and address shortcomings in their digital and social media knowledge, be willing to learn new skills and invest the time required to execute and monitor marketing activities. For many SMEs, digital and social media marketing seems a logical move, but they must not let the always-on, omnipresent nature of online marketing distract them from their core business of delivering products and services to their customers.

It is clear that online marketing has become the pre-eminent arena for SMEs and larger competitors alike. With its relatively inexpensive setup costs and myriad marketing channels, SMEs who adopt and learn these marketing strategies have a greater potential to grow their market share.

Recommendations

This research revealed that before focusing on digital and social media marketing strategies to build and protect market share, residential construction SMEs should first understand their broader environment and the drivers behind the changing nature of their industry. It was revealed that most SMEs actively measure increased customer enquiries and sales as the primary indicator of marketing success. However, when it comes to digital and social media marketing, SMEs need to extend their marketing objectives further.

Recommendation 1: SMEs should develop marketing objectives that include building brand awareness, increasing online chatter about the company and creating online customer advocacy. Further investigation could examine how these additional marketing objectives impact on the sales opportunity pipeline (from ‘enquiry’ to ‘contract’) and whether campaigns to support different marketing objectives have different levels of success when competing against larger firms.

Another key finding is that many company owners lack the necessary skills and time to undertake external market analysis, create an integrated marketing management plan and define an online marketing strategy.

Recommendation 2: For effective results and to ensure the right skills are accessed and used correctly, SME owners should undertake formal learning and development in marketing management and integrated marketing communications, with a focus on social media capabilities and strategies. This is even more necessary where the business cannot hire a dedicated marketing specialist. Given that many small and medium business owners are not from the digital native generations, such training should demonstrate how to build an effective integrated marketing communications plan and how to create positive habits towards online marketing monitoring and control. A follow-up study could investigate the benefits of marketing management training for SMEs and whether there is a positive correlation between the amount or type of learning and improved business outcomes.

Appendix A – Interview Questions

Interview Details:	<p>Interviewee:</p> <p>Interview date:</p> <p>Interview location:</p> <p>Start time:</p> <p>Finish time:</p>
Purpose	<p><start recording device></p> <p>Thank you for your time today and agreeing to participate in this interview.</p> <p>I am currently concluding my MBA at ABS. As part of the MBA, I am conducting a Research Project which requires me to undertake some primary research to assist with the Project's findings and recommendations. For my project I am investigating:</p> <p><i>"Can digital and social marketing be used by small and medium companies to maintain or grow market share in increasingly competitive markets."</i></p> <p>As a result, I will be asking for your honest answers in terms of your current marketing strategies and how these help explain your current business performance. Any recommendations that result from this Project can be made available to your company for your consideration and implementation.</p> <p>I have 20 questions to ask you and I anticipate the interview to last 60 minutes.</p>
Confidentiality	<p>Your opinions and feedback will be kept confidential.</p> <p>I will be recording this interview as well as taking notes so that I can ensure I capture all your responses accurately. Your comments will be combined with those from other interviewees to identify themes and trends.</p> <p>In order for me to use your feedback in my project, you need to sign this consent form <provided consent form to interviewee>. It outlines how I will use your information and how I will protect your identify and privacy throughout this research. If you are not comfortable with this, please just let me know.</p> <p>Please rest assured that your identity will be anonymized in both the research project and the end report.</p> <p>Are there any questions? Let's begin.</p>
Questions	<ol style="list-style-type: none"> 1. How much do you spend on marketing each year? 2. What is your marketing mix? Please describe your marketing activities? 3. Why have you chosen this particular mix of marketing activities? 4. How often do you check on the marketing activities of your competitors? 5. How has marketing changed for your business over the years 6. How has your industry changed over the years

Appendix A. continued

7. How do you monitor the changes to the external factors in your industry?
8. What skills do the people have that perform marketing activities?
9. What digital marketing techniques have you heard of?
10. What social marketing techniques have you heard of?
11. Do you use any digital marketing techniques to market your business?
 - a. If so, why?
 - b. If not, why not?
12. Do you use any social marketing techniques to market your business?
 - a. If so, why?
 - b. If not, why not?
13. If Yes to Qu. 11 or 12: Do you believe that digital marketing or social marketing has helped your business better compete against your main competitors?
14. If No to Qu. 11 or 12: Why do you believe that digital marketing or social marketing cannot or has not helped your business better compete against your main competitors?
15. Of the marketing strategies you use, which do you believe are most effective?
16. Consider the performance of your competitors. What marketing activities do they do better than you? Worse than you?
17. Do you find that different consumer groups respond the same or differently to your marketing techniques?
18. What are your biggest concerns or risks when you think about how your business will survive or grow in the future?
19. Do you think you have the skills and techniques in your company to tackle the marketing challenges in your industry?
20. Do you believe that digital marketing or social marketing could help grow or maintain your market share?
 - a. If so, why?
 - b. If not, why not?

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