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ABSTRACT

Small to Medium Size Enterprise (SME) owners face many challenges as they strive to keep their businesses afloat. Although these challenges vary, one of the most prevalent is the inability to market effectively. Over 50% of SMEs close within the first five years (Cronin-Gilmore, 2012). This case study explored the relationship between Facebook and SMEs’ brands, and Integrated Marketing Communications (IMC). Through the examination of these relationships, the study identified barriers that hinder SMEs ability to use Facebook effectively and further strengthen their branding strategies. Facebook can be an inexpensive marketing tool that SME owners has access; however, challenges exist, as their training and use of Facebook in many instances are self-taught. The often lack knowledge in how to translate the activity into revenue. To address the effectiveness of SME’s use of Facebook on SMEs, the primary research questions are:

RQ1: How do SMEs in Tennessee use Facebook to brand their business?
RQ2: How do SMEs in Tennessee use Facebook to develop online marketing strategies?

INTRODUCTION

Marketing is a unique discipline, broad in nature, and has an unlimited amount of data as it relates to its effectiveness; however, the relationship between social media (SM) and SMEs has yet to be established (Brescianai & Eppler, 2010). According to Cox (2012), most academic literature as it relates to social media represents large business organizational strategies and that weaknesses in the literature suggest, that those same strategies do not work for SMEs.

SMEs AND MARKETING CHALLENGES

SMEs vary based upon its number of employees, sales volumes, total assets, and years in business (Cox, 2012). The United States acknowledges businesses that have 500 or few employees as SMEs. They represent 99.7% of all employer firms in the U.S., which makes SMEs critical to the U.S. economy (SBA, 2013). The U.S. SMEs Administration Office of Advocacy (2011) said that the 2007 Census data reflect 6 million firms with employees and 21.4 million without employees. Larger businesses with 500 or more employees represent approximately 18,311 (SBA, 2013). Based upon the data, SMEs and their sustainability are
critical to the infrastructure of the United States and its economy. Their ability to utilize newer, more effective marketing resources can increase their chances of long-term success.

In past years, SMEs used local media as a primary choice to deliver marketing messages. Agency representatives would select the best form of advertising for SMEs through the local newspaper, yellow pages, radio, or television. The explosive growth of SM has made marketing for SMEs problematic. The onslaught of new technology combined with a new environment of informed consumers can present a challenge to any size organization (Cleary, 2013).

Many benefits exist for SMEs to market online; one is the ability to respond to consumer’s demands more quickly, increase market share, and profitability; however, having accurate information is more important to the sustainability of the company (Yan, 2007). SMEs using an online platform need to establish accuracy in their marketing communications, which is what this study revolves around. Tracking the effectiveness of SM, affords SMEs the ability to identify both areas of weaknesses and strengths in using Facebook as their SM site preference. Becoming a new entrant into the SM world brings challenges and barriers for SMEs. The transition from brick-and-mortar to an online environment increases competition; whereas the physical location may hold a competitive advantage, entering an online environment may cause a shift immediately (Robinson, 2012). This is primarily due to the internet’s ability to market the SMEs products and or services to consumers around the world.

These barriers include business operations, strategies, and thirdly, profitability methods. In Robinson’s (2012) study, online managers did not perform proper risk analysis to handle aggressive competitor rivalries in online markets due to inadequate knowledge of the competitor’s plans, lack of strategies, and financial shortfalls. Strategies vary greatly for SMEs based upon many variables within the company. Many SMEs do not have standardized internal controls within their operations. Non-written guidelines, and non-reporting profitability and loss tracking, and lack of marketing plans, were among the most impactful in strategy shortfalls. Each of these variables plays a critical role in SMEs readiness to transition into online environments. In many instances, the outdated methodologies, with no plans of updating them, also was a known barrier (Robinson, 2012).

SMEs continue to face challenges in reaching customers (Cronin-Gilmore, 2012). Ngozi (2012) said that SMEs should adapt the new market trend of using SM sites in reaching old and new customers as it provides a platform for them to enter different and global markets. SM can be less expensive to use than traditional marketing services such as direct mail, and print advertising. SMEs should grasp the understanding that SM platforms add value; however, they experience frustration in maximizing the investment, based upon a survey of 400 small and mid-sized business decision makers. Despite frustrations, 84 percent agree that SM is here to stay and plan to increase usage in the future (CIO Insight, 2015).

A vast amount of research exists for SMEs, however limited knowledge as it relates to SM (Bresciani & Eppler, 2010). Cox (2012) stated that the majority of academic literature as it relates to social medial represents large business organizational strategies and that weaknesses in literature suggest that those same strategies do not work for SMEs. In many instances, SMEs do not have the capital to hire a marketing specialist. SM has grown in popularity with SMEs,
however due to limited knowledge in marketing; a strategy does not exist going in. A deeper examination of the lack of strategies or limited use of strategies in SMEs compared to larger corporations could prove beneficial to other SMEs and marketing researchers.

FACEBOOK

Popular social media sites continue to emerge. Amongst the most popular are Facebook, Twitter, and LinkedIn. As of September 2015, Facebook had 1.01 billion monthly active users with 894 million of the users logging on through mobile devices. Approximately 80% of its active daily users reside outside the United States (Facebook, 2015). Twitter had over 230 million monthly active users with 76% of them logging on through mobile devices. Approximately 77% of the account holders reside outside of the United States (Twitter, 2015).

LinkedIn holds the title as the operating the world’s largest online professional network via the internet with more than 259 million members residing in over 200 outside countries and territories. More than 3 million companies have LinkedIn pages with business professionals signing up at a speed of two members per second. Approximately 67% of LinkedIn members reside outside of the United States (LinkedIn, 2015). All three of these SM sites offer free services, which creates leverage for SMEs to advertise, promote, and show off their products and services while minimizing expenses. They now can interact with consumers within a short turn-around time. Despite these technological advances, SMEs yet struggle in reaching consumers (SMEs Trends, 2015).

Facebook affords SMEs the ability to reach new customers that without the evolution of SM may not have existed. According to Gajewski’s (2013) study on the relationship between Facebook and storefront retailers, it is advantageous for retailers to go a step further beyond creating fan pages but also establish Facebook storefronts. There is zero cost for the service, nor does Facebook receive any percentages of the sales (Park, Kee, & Valenzuela, 2009). The service is not popular with retailers as they are unaware of how to use the service, nor engage fans. Facebook’s services such as storefronts and many others lie at the true essence of what drive researchers to want to understand the phenomenon of Facebook.

Facebook provides many services to aid businesses in their marketing approach such as fan page updates, fans to like and follow businesses, fan interactions with the business, its products and services, share photos and videos, along with many more (Gajewski, 2013). According to Gajewski (2013), stated that limed number of researchers explored the effectiveness of Facebook, its marketing strategies and influential power to convert fans into buyers. Gajewski’s (2013) study found that retailers that knew how to set up the pages with consumer value, attractive offers such as sales, discounts, promotion, were more successful in converting their Facebook pages into customers, thereby increasing sales. Businesses that do not see the value of using Facebook as part of their marketing strategies risk losing competitive advantages to industry competitors.

BRANDING

Due to the continuous growth of Facebook, the theory of branding (Dolich, 1969; Levy, 1959; Hold, 1995; Freling & Forbes, 2005), has created a new interest for practitioners as it offers
exploration of new IMC strategies, linked to human interaction. Aaker (1997) through the introduction of brand perception said that brands become stronger when attached with personality.

According to Ankeny (2012), 70% of small business use SM, however, the effect it has on branding awareness is unknown. There is limited research available regarding the phenomenon of Facebook and its relationship to branding, which leaves SMEs with a lack of understanding of how to use it as an IMC to strategy (Lipsman, Mud, Rich, & Bruich, 2012). IMC have been accredited with the enhancement of brand awareness, but unknown within SME (Toder-Alon, Brunel, & Fournier, 2012).

METHODOLOGY

The purpose of this qualitative phenomenological case study research design attempted to explore the relationship between Facebook, SMEs’ brands, and Integrated Marketing Communications (IMC). SME continue to seek budget allocations, and inexpensive methods of advertising and marketing to build their brands. Facebook is the focus of this study due to its popularity in SM. The primary research questions RQ1: How do SMEs in Tennessee use Facebook to brand their business? RQ2: How do SMEs in Tennessee use Facebook to develop online marketing strategies?

Chapter 3 proposed using personal interviews as applicable to the study that will explain the chosen research design, sample, setting instrument, data collection, data analysis, validity, reliability, and ethics.

Based upon Crestwell (2009), studies conducted and collected on-site, analyzed, and interpreted where the participants experience the issue, is qualitative. According to Behan (2013), qualitative studies minimize perception. Using an interpretive philosophic tradition, and the social perception model, the researcher interpreted the lived experiences between the two SMEs and developed a preconceived perception of the experience prior to conducting the interviews.

The goal is to examine how SMEs use Facebook. Through the collection of data, the SMEs owners shared their personal experiences regarding the use of Facebook, and the effects it has on the SMEs’ branding and marketing plan. The data collection will consist of triangulation of several data sources, including open-ended interviews, current SM activities, and previous marketing strategies, which is further detailed in the Data Collection section. The social perception model gave the researcher a perceived perception; therefore, preference was given to the themes, data analysis, and the phenomena (Charmaz, Belgrave, 2012). Ladkin (2013) confirmed that the social perception model is an accepted model for data collection.

Through a qualitative case study approach, a deeper analysis of the phenomenon can educate SMEs owners, their employees, academe, and marketers, on gaining a better understanding as it relates to SM, and its effectiveness. The study attempted to explain the phenomenon, not predict. In addition, qualitative methods strengthen validity, reliability, and the participant’s interaction (Crestwell, 2009; Levenshus, 2010). Since the goal was to examine how SMEs use Facebook, it also added insight about the phenomenon of social media; therefore, due to the
structure, limited size, and limited resources, the researcher’s choice for a qualitative case study was further validated.

Using a multiple case study methodology has the ability to capture the behaviors of SMEs using Facebook (Yin, 2014). Qualitative case studies often times reveal unique characteristics and new information in most instances that has yet to be identified (Yin, 2014). The recovered data reflects the behavior norms and practices of SMEs that seek Facebook for growth opportunities, while keeping branding and marketing expenses low. The exploration of the two SMEs and their daily, weekly, monthly use of Facebook, unveiled routines, challenges, benefits, and strategies that can benefit the limited research regarding the effectiveness of SM and its connection to profitability.

According to Cox (2012), such information can answer pertinent questions regarding message delivery to customers, and in return the customers’ perceptions of the business. Yin (2014) stated that case studies require multiple sources of evidence to be accurate; therefore, the interview and document collection provides triangulation, thematic, and content analysis, which identifies both themes and their interpretative meanings.

Hardey (2011) addressed the electronic word of mouth (eWOM) theory, which provided pertinent research regarding SMEs usage, customer’s interactions, and communications within their businesses, as it relates to SM. Cox (2012) advised that eWOM is critical for SMEs as it generates loyalty. The case study yielded rich context regarding challenges and issues with SM, which quantitative case studies may or may not deliver.

Previous studies conducted by O’Donnell, Gilmore, Carson, Cummins (2002) and Behan (2013), supported the usage of qualitative case studies as they related to SM and SMEs. They believed that case studies describe the phenomenon better when in natural settings. O’Donnell et al. (2002), made the analysis based upon previous studies, which lacked depth and concluded that other methodologies that study similar problems were inadequate, and that distinct differences between large organization and SMEs exist.

Perren and Ram (2004) suggested that SMEs are open to researcher’s investigations as they may reveal the business with information that will improve their existing business models and long-term sustainability. Currently there is not a preferred or universal research methodology for SMEs, yet the selection of a qualitative case study is acceptable and part of an emerging growth trend (Perren, Ram, 2004).

Interviews conducted in phenomenological research should reflect the data, and accurately describe the phenomena (Moustakas, 1994). In addition, the data hoped to identify limited areas of knowledge and gaps in the literature regarding the phenomena. Bevan (2014) advised that the researcher should not underestimate the importance of the data collected and should analyze during the interviewing phase. To ensure accuracy of the data, the researcher recorded the conducted interviews and transcribed them.

SAMPLE
The researcher selected participants who could add insight of the phenomena, and disclosed to each of the selected participants, that their willingness to partake in the study was voluntary. According to Behan (2013), based upon the principles of qualitative case studies, and criterion based purposive sampling, conducting a multiple case study of two participants is an acceptable sample range and frame for this study.

The researcher conducted telephone interviews with the participants. The open-ended questions focus on the SMEs’ use of Facebook to build brand and learn how their fans interact with them online. Adams (2010) said that the questions should be clear, geared towards the desired information, and present clarity of the study’s purpose. Upon acceptance, the researcher became a fan of both SME owners’ Facebook page. Once access to the pages was granted the researcher gained additional data through field observations of the fan’s interactions with the SMEs’ Facebook page. The researcher’s goal from the observations was to identify similarities, characteristics, and differences of themes between the two SMEs that addressed the research questions.

The researcher only used the page throughout the duration of the study and then immediately unliked the pages within 24 to 48 hours of completion. Data such as live newsfeed, fan interactions, comments, and others were monitored for five days to develop real-time feedback from the SMEs’ Facebook page. In addition, the researcher hoped that the SMEs would allow collection of data on current and past branding/marketing plans, strategies, and advertisements, to show comparisons between traditional marketing, and SM marketing through Facebook. To provide a level of comfort, and increase the trust of participants, an overview of the researcher’s background was provided. Participants under the age of 18 were excluded from the study.

To strengthen the application and creditability of the study, the researcher used the question hierarchy developed by Cooper and Schindler (2011). The researcher was granted a written approval from Behan (2013) to use the interview questions he had previous produced. The motivation for this study was birthed from the recommendation of Behan (2013) for future studies to observe other industries and geographical areas. As Crestwell (2007) advised, qualitative research builds upon itself; therefore, the researcher proposed the use of Behan’s (2013) research questions.

The researcher used telephonic interviews for data collection. A combination of audio recordings and note takings ensured accuracy of the interviewees’ responses and ensured a capture of the context and content. To strengthen the validity of the study, only new questions added by the researcher, that had not been previously field tested during Behan’s (2013) study were presented to scholarly experts at the practitioner level to field test, as Crestwell (2007) suggested. According to Crestwell (2007), semi-structured interview questions provide flexibility in quality research, which strengthens the data collection process.

**DATA COLLECTION**

The overall goal during the interview process is to provide meaningful data. The researcher must include a scripted outline of topics and questions (Kvale, 2007). Respondents were briefed prior to the interview with reasons and facts for the study. Additional training to understand
movements, actions, and facial expressions of the respondents is essential in having a correct translation and coding of data. The time frame for interview completion was two to four hours.

In addition to interviews, the study consisted of various forms of data that included an analysis and observation of two SMEs. Each data included context richness and triangulation to support thematic outcomes. The open-ended semi-structured interviews were conducted via phone. The researcher used the Q methodology for data collection. The Q methodology provides a ranking system for the collected data (Plastow, 2010).

Plastow (2010) defined the Q methodology as a qualitative research method that uses a sorting technique to establish specific preferences from participants. The researcher hoped that by using the Q methodology sorting method, the statements retrieved from the SMEs owners would provide future insight regarding Facebook marketing strategies and effectiveness. The retrieved responses are more consistent and leave little bias (Webler, Danielson & Tuler, 2009).

Collected data from both SMEs reflected their existing marketing services and Facebook activities. In reviewing the previous marketing efforts, the researcher hoped to gain greater insight through the observation of existing documents. Yin (2014) advised that the most important use of document collection is the analysis and augmentation of evidence retrieved from external sources.

Through observation of the SMEs’ Facebook pages, the researcher identified and analyzed the branding and IMC efforts. In addition, the researcher analyzed and gathered internal analytics that tracked the SMEs activities through Facebook. The information collected from SME(B), consisted of Facebook analytics report from within the SMEs’ Facebook page. Lastly, the researcher noted interactions between the SMEs’ page and its fans through their interactions on the site. These steps supported the triangulation of the data and the creation of thematic outcomes. Observations occurred over a five-day time frame with a specific focus on the SMEs’ branding and marketing strategies as it related to the research questions.

RESULTS

The overall research objective of this study was to analyze the effective of Facebook through the lens of the owners. Most literature reflected upon data from Facebook fans, and marketers. However, the researcher felt that it could add insight by adding a new voice to the literature. Facebook continues to be one of the most popular social median (SM) platforms for SMEs trying to stay competitive in both brick and mortar locations and online. The effectiveness of Facebook is yet in discussion due to newness in the literature. Therefore, the metrics in which it exists in terms of effectiveness is important for future studies and body of literature (Sago, 2010).

RQ1: How do SMEs in Tennessee use Facebook to brand their business?
SMEs in Tennessee use Facebook to brand their businesses several ways. Through the identification of their target markets, they are better equipped to gain knowledge about the use of Facebook to develop and strengthen their brand. Facebook was confirmed by both SMEs as their number one marketing tool to grow their business and brand. Other marketing channels such as website, radio, and newspaper announcements, continues to be used for marketing, however they
are paid services whereas Facebook is not. When compared with Facebook and its user-friendly platform, they have more control of targeting clients and building warm relationships with them than the other traditional methods.

**RQ2: How do SMEs in Tennessee use Facebook to develop online marketing strategies?**

SME (A) used Facebook the most to develop online marketing strategies. It also uses Facebook for non-related products and services. Local community events are posted on the page to keep fans coming back to the page often for other reasons than to check for obituaries. Their strategy is to reach large broad audience. “We realize that anyone can be a potential client, stated SME (A) owner.” A successful Veteran’s Day promo was created for fans to post pictures of their loved ones who currently serve or has served in the military. Promotions like these have nothing to do with selling their products/services. However, it does involve increasing brand awareness, strategy utilization, and keeps them true to their value statement of building and maintaining customer relationship as a winning strategy for success and sustainability.

The respondents’ responses to the interview questions had both similarities and variances. The two most prevalent variances between the two SMEs were there strategic plans for using Facebook to grow their business and the number of fans that each SME held. SME(A) had many more fans that SME(B), and the researcher believed that these number were a result of the detailed plan and strategy of how to turn their fans into customers.

Overall, the researcher identified two consistent themes throughout the study. (1) The strategic planning for SMEs and the use of Facebook. It appeared that SME (A)’s ability to produce positive results were prevalent because of their strategy of how to implement Facebook into their marketing plan in comparison to SME (B), which had not. (2) The second theme was driven by distinct age gaps. According to both SME (A) and SME (B), they both agreed that their primary focus as it relates to using Facebook and its effectiveness to produce growth for their businesses was to market younger fans verses older fans. It is not clear if these themes are specific to the funeral home industry; however, their primary goal for using Facebook was to attract new younger clients to their businesses, which proved positive results from Facebook.

Owen and Humpery (2009) discussed the use of SM and its effects on brand. Did Facebook help SME owners in Tennessee brand their businesses with its members and followers? The researcher discussed the various ways in which Facebook aided in building brand visibility and awareness. Facebook continues to be a popular marketing tool for SMEs (Pislorski, 2011; Behan, 2013); however, the researcher desired to know the differences between Facebook and other popular SM sites such as Twitter, Linked In, and other sites.

Smith (1956) provided a basis for this study as it sought to add new marketing literature knowledge. Additional seminal works of (Hunt, 1976; Porter, 1984) regarding general marketing theory, (Caywood, 1996; Kitchen et al., 2008), regarding Integrated Marketing Communication (IMC), (Arndt, 1997; Belk, 1988; Hunt, 1991) regarding Word of Mouth Marketing, were integral in the development of this study.
The use of Facebook as a marketing tool continues to increase rapidly as a vital form of relationship building and communication tool (Behan, 2013). The two SME owners’ insights on the phenomena revealed their lived experience about the phenomena and their own interpretation of how well the Facebook does for the business, growth, and brand.

Several marketing theories were explored. Brescianai and Eppler (2010) advised that the relationship of SM on SMEs had been established. The majority of the academic literature referenced larger organizations and that more research regarding the phenomena was needed for SMEs. In using a qualitative methodology, the researcher hoped to bring a more descriptive analysis of the phenomena, in which a quantitative would not depict.

Based upon the study’s research questions and the participants’ responses, it appears that Facebook was an effective tool to build relationships with new non-existent clients and maintain valuable relationships with existing clients. Both SMEs shared how the SM platform brought consistent growth in adding new customers and growing their bottom-line; however, this study did not seek to uncover the amount or percentage of revenue growth Facebook brought their business, however the researcher feels that it would be ideal for a future study using a quantitative methodology. The following analysis of the data includes the researcher’s interpretation of the participant’s responses and the study’s research questions.

RECOMMENDATIONS FOR FURTHER RESEARCH

As Facebook continues to evolve almost daily, the researcher recommends that other facets of the SM platform be explored. In agreement with Behan (2013), additional studies should be conducted on SMEs in other industries and geographical locations, specifically on SMEs in larger metropolitan areas. It was discovered during the interview session with SME(A) that the effectiveness of Facebook could be different based upon location size. Facebook is still considered to be in the early developmental phases, and much literature is needed to continue adding new knowledge to the marketing discipline.

Based upon the participants lived experience with the phenomena, it was acknowledged that younger individuals are the driving forces behind Facebook’s success. Future studies that identify age demographics of Facebook users could be helpful to both SMEs and SME owners. SMEs with niche markets of younger individuals between the ages of 25 to 50 may see positive results from the use of Facebook, however are those same predictions true for SMEs with an older customer base.

The researcher’s final recommendation for future studies consist of financial growth and bottom line revenue that SMEs receive during their use of Facebook. The financial growth metrics should be conducted on both SMEs and larger-sized organizations. It is noted within this study that both SME owners feel that Facebook has grown their brand and customer base; however, the profitability of Facebook’s measurement is unknown. Both participants stated that their businesses grew organically without any monies spent on advertisements. Is this a trend for SMEs or is this specific to these two SMEs? Additional information of SMEs that are buying paid advertisement to build their brand would be vital to adding new knowledge to the phenomena.
CONCLUSION

The analysis revealed that Facebook is a low-cost marketing tool that promotes relationship building between SMEs and their fans. Fans can connect with the brand emotionally, which was important for the two SMEs within the study being in the funeral home industry. An establishment of trust was needed from the SMEs to gain customers, as it involved the final arrangements of loved one. The SMEs ability to use Facebook to connect with its targeted audience, and produce positive results even during traumatic and sensitive times for their fans is amazing. The researcher feels that many more areas of Facebook has been unrealized, and will be beneficial to the discipline of Marketing.

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