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Social media as a customer relationship management tool

within the building and construction industry

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I certify that this dissertation contains no material that has been accepted for a degree or diploma by the University of Tasmania or any other institution, except by way of background information and duly acknowledged in the dissertation, and to the best of my knowledge and belief no material previously published or written by another person except where due acknowledgement is made in the text of the dissertation.

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ABSTRACT

The purpose of this dissertation is to explore how builders can use social media to manage customer relationships. This research uses semi-structured interviews with accredited building practitioners to explore the extent of SCRM use, the ways builders are using SCRM, and the factors that influence social media use.

The study found that builders are using social media to manage customer relationships, but to a limited extent. There is a lack of SCRM strategy and builders are reluctant to use customer-value segmentation. Builders are indifferent to using SCRM to move away from legal-centric relationships, and have difficulty establishing meaningful relationships through social media. The 'risk of defamation' and a 'lack of control' are factors that influence builders' use of social media. There is also some support for 'perceived trustworthiness' as a factor that influences SCRM use and acceptance.

A limitation of this research is that it only explores the builder-client relationship from the builders' perspective. More research is required to explore SCRM from both the customer and practitioner perspective. The practical implications are that builders can consider two main issues for improving social media effectiveness: a lack of SCRM strategy, and the lack of customer-value segmentation.

The unique contribution of this research lies in the application of SCRM to the building and construction industry. There are also very few studies which have focused on the builder-client relationship from a marketing perspective; this study provides a base from which to explore this topic further.

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CAQDAS   Computer Aided Qualitative Data Analysis Software

CLV   Customer Lifetime Value

CRM   Customer Relationship Management

IT   Information Technology

OH&S   Occupational Health and Safety

OSN   Online Social Network

ROI   Return On Investment

ROR   Return On Relationships

SCRM   Social Customer Relationship Management

SM   Social Media

SME   Small to Medium Enterprise

SNS(s)   Social Networking Site(s)

TAM   Technology Acceptance Model

1 Introduction

This chapter serves as an introduction to the dissertation. It explains the research opportunity by covering the main theoretical and practical issues that have informed the choice of research topic. It also describes the research setting and justifies why the building and construction industry is a suitable environment for this study. The chapter concludes by explaining the motivation for this research, while also presenting the research aim, and outlining the dissertation structure.

1.1 Research Opportunity

Social media is changing the way we do business (Afshar 2014; Ahlqvist et al. 2008; Aspili 2013). The emergence of social media over the last decade has allowed new ways for organisations to communicate and engage with their consumers (Stephen & Galak 2009). In response to the popularity of social media, organisations are now using social media to engage with their customers online (Bruhn, Schoenmueller & Schäfer 2012; Kwon et al. 2013). However, many businesses are still trying to identify ways in which they can make profitable use of social media (Kaplan & Haenlein 2010).

One way that business can use social media is as a tool to manage customer relationships (Harrigan & Miles 2014). Customer Relationship Management (CRM) is a well-developed marketing theory that seeks to establish and improve relationships with customers with the goal of creating customer value (Greenberg 2009; Parvatiyar & Sheth 2001). However, many authors have noted the need for more research to investigate the challenges of organisations implementing CRM, particularly with Web 2.0 technologies and online networks such as social media (Adebanjo 2003; Awasthi & Sangle 2012; Balocco, Mogre & Toletti 2009; Chakravorti 2006; Harrigan & Miles

2014; Harrigan, Ramsey & Ibbotson 2011; Harrigan et al. 2011). This study aims to address this gap.

1.2 Research Setting

The building and construction industry is an appropriate sector for this research as it is a key element of national competitiveness and an important part of the economy (ABS 2007; Hampson 2001). In Tasmania, the building and construction industry contributes over $1.2 billion, or approximately 6 percent, to the Tasmanian Gross State Product, and is listed as a priority industry sector in the economic development plan (DEDTA 2014). Furthermore, the building and construction industry provides many multiplier effects throughout the economy (ABS 2007).

The building and construction industry provides a particularly ideal opportunity for studying social media and CRM because of the unique and complex relationships between builders and their customers. Firstly, the extended length of the relationship throughout the construction process changes the focus of CRM. For other organisations, many of the transactions are completed momentarily and the relationship focus is on customer loyalty and retention (Berry 2002; Parasuraman, Zeithaml & Berry 1985). However, for builders and their customers, the transaction is extended throughout the duration of the construction project through progress payments. As such, more focus is put on maintaining a workable relationship with the customer throughout the duration of contract (Jiang, Henneberg & Naudé 2012; Siva & London 2011). Secondly, the relationship is unique because new dwellings are a single major purchase and are often the largest financial decisions customers will ever make, which contributes to the strong emotional commitment the customers develop throughout the construction process (LSNSW 2012; Siva & London 2011). Lastly, the specialised nature of building and construction (called architectural habitus) and the customer's disorientation in

experiencing unfamiliar values and norms throughout the project (called habitus shock) also contribute to the unique customer relationship (Siva & London 2009). Therefore, the extended customer relationship throughout the contract, the strong emotional attachment to the product, and the habitus shock experienced by customers make the builder-client relationship unique.

1.3 Research Purpose

Van de Ven (2007) advocates for academic research to be grounded in a real practitioner problem. From a practitioner perspective, one of the most complex issues in managing building organisations is managing the customer relationship throughout the duration of the building contract (Siva & London 2011). Furthermore, customer relationships have a significant impact on the success of the building project, and by extension, the organisation (Berry 1995). Yet this is an area that has received little research attention, with much of building and construction research focused on industrial relations, building design, and building regulation (CIIA 2014; CSIRO 2011). The motivation for this research is to address this significant problem facing building practitioners, as well as make a contribution to the emerging academic field of Social CRM by studying social media and CRM in a new industry context.

1.4 Research Aim

With this in mind, the aim of this research is to explore the use of social media to manage customer relationships within the building and construction industry. More specifically, the study seeks to determine the extent to which Tasmanian builders are using social media for customer relationship management, to explore how builders are currently using social media to manage customer relationships, and to examine what factors influence the extent of social media use. Furthermore, this study aims to provide

a basis for future research into social media and CRM in the building and construction industry.

1.5 Dissertation Structure

This dissertation has five chapters. Chapter One introduces the main purpose of the dissertation by explaining the research opportunity, the motivation for this research and sets out the aim of the research. Chapter Two provides a review of the academic literature on social media, CRM, and Social CRM (SCRM). Chapter Three provides a description of the design and method used in the study. Chapter Four presents the findings of the research, and Chapter Five provides a brief summary of the main findings and discusses the implications for both theory and practice.

2 Literature Review

This chapter reviews the existing literature in order to provide a background to the research topic, and to establish a basis for the research questions. As such, it is divided into three sections; social media, CRM, and the emerging field of SCRM. The literature review concludes by presenting three research questions.

2.1 Social Media

Social media is increasingly attracting the attention of academics and business practitioners (Boyd & Ellison 2007). Yet despite this interest, there seems to be a limited understanding of what the term 'social media' exactly means (Kaplan & Haenlein 2010). Furthermore, the idea of social media goes well beyond its manifestation of popular applications, such as Facebook; it is an idea that has evolved from well-established theoretical concepts (Edosomwan et al. 2011). Intrinsically, social media is more about sociology than technology (Breakenridge 2009). Therefore, it is valuable to review some of the prominent academic definitions to understand the underpinning concepts of social media.

2.1.1 Social Media Definition

Many of the definitions in academic literature bring together the concepts of communication technology, social networks, and communities. In their seminal article, Kaplan and Haenlein (2010, p. 61) define social media as 'a group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content'. The term Web 2.0 is a short name for the 'interactive internet', which includes technological applications such as blogs, Social Networking Sites (SNSs), and virtual game worlds (Jekimovics,

Wickham & Danzinger 2013). In studying the history of social media, Edosomwan et al. (2011) use the definition of social media as 'forms of electronic communication through which users create online communities to share information, ideas, personal messages, and other content'. After considering many other definitions of social media; Andzulis, Panagopoulos and Rapp (2012, p. 308) define social media as 'the technological component of the communication, transaction and relationship building functions of a business which leverages the network of customers and prospects to promote value co-creation'.

Therefore, for the purpose of this research, social media is defined as the combination of social networks and communication technology that enables communities to build relationships. This definition includes the three main components identified in the above definitions; technology, networks, and communities. This definition includes collaborative projects, blogs, content communities, social networking sites, virtual game worlds, and virtual social worlds (Curran & Lennon 2011; Kaplan & Haenlein 2010). Popular applications of social media include; Facebook, Twitter, LinkedIn, YouTube and Pinterest, as well as many others (Deepa & Deshmukh 2013). In all, the definition of social media adopted for this study is more expansive than the common term 'social networking sites', which is limited to social media applications that require users to create a profile for networking (Boyd & Ellison 2007; Curran & Lennon 2011; Kaplan & Haenlein 2010).

As set out above, the definition of social media includes the concepts of communities and social networks. These are common words, yet the depth of their meaning in an academic context can be misunderstood (Fiore 2007). Therefore, it is beneficial to explore the development of these ideas in more detail, and how these concepts converge into the idea of relationships in a way that is important to understanding social media.

2.1.2 Social Networks

The idea of social networks developed out of the study of sociology. Some authors consider early sociologists to be the original pioneers of social networks; such as David Emile Durkheim, Ferdinand Tonnies, Georg Simmel, and Max Webber (Edosomwan et al. 2011; Memmi 2006). These sociologists led the way in developing the concepts of social networks by proposing a fundamental distinction between traditional community and modern society (Memmi 2006). The traditional community has strong links with a small and stable social group and direct person-to-person relations; while modern society is more abstract and has more temporary, impersonal, and functional links that are more flexible (Memmi 2006).

While the groundwork was laid by early sociologists, the theoretical concept of 'social networks' was introduced by Barnes (1954) in his work titled 'Class and committee in a Norwegian island parish' (Lugano 2008). In studying a fishing village in Norway, Barnes (1954) brings together three strands of academic enquiry; socio-metric analysis, interpersonal analysis, and the study of tribal and village communities; to form the idea of a network that creates a social field of relationships in which people interact (Trainro 2011). In this pioneering work, Barnes (1954 p. 43) envisaged social networks as '…a set of points, some of which are joined by lines. The points of the image are people, or sometimes groups, and the lines indicate which people interact with each other'. Thus, the multi-dimensional concept of social networks was introduced.

2.1.3 Communities

Aristotle (384 –322 BC) wrote about communities in his book on political philosophy, called *Politics*. He viewed a community as a collection of parts having some functions and interests in common (Miller 2012). Yet despite the early use of the word, there was little social science literature concerning community until the early 1900s (Smith 2001).

The first known study on communities was conducted by C. J. Galpin (1915) in his work on rural community social zones, called The Social Anatomy of an Agricultural Community. This study researched the terms of the trade and service areas surrounding a central village (Harper & Dunham 1959). This early conceptualisation of communities focused on groups of people that united around a common location.

As a result of this early conceptualisation, communities have traditionally been equated with neighbourhoods. However, with the advance of computer aided communication, the notion of community is now being redefined to centre around social networks rather than groups of people bounded by a common location (Wellman 2005). The idea of community has developed to identify groups of people who share common interests or activities (Papadopoulos et al. 2012). Online networks have enabled people with common interests and values to expand communities beyond the limits of their neighbourhoods.

2.1.4 Relationships

Fiore (2007) points out that often the concepts of 'networks' and 'community' are superimposed or used interchangeably, however they are different. Communities are social groups with boundaries, in which individuals share something in common and feel the pressure to conform to social rules and roles. Networks, on the other hand, are less bounded and open to being exploited for individualistic purposes (Fiore 2007; Piselli 2007). The idea of social networks focuses on the connections people make in forming new relationships (Boyd & Ellison 2007). The idea of communities focuses on the unity that holds relationships together (Fiore 2007). Both networks and communities share relationships as key variable used in academic analysis (Fiore 2007). As such, the concept of relationships is central to understanding the idea social media.

2.1.5 Social Media Importance

It is important for businesses to understand social media because it is popular among consumers and organisations. In 2013, over 70 percent of online adults were using social networking sites (PewResearch 2014). Other online sources suggest that Facebook (2014) has over 1.2 billion users worldwide (McMillan 2013). Twitter attracts 135,000 new people every day (StatisticBrain 2014). Research has revealed that 86 percent of the 100 largest companies use social media sites such as Facebook, Twitter, YouTube or blogs (Deepa & Deshmukh 2013). Furthermore, studies have found that customers who engage with organisations over social media are more loyal and spend more with those businesses (Nadeem 2012).

Despite the importance of social media there have been some dire predictions about the demise of social media sites. Cannarella and Spechler (2013) predict that Facebook will lose 80 percent of its peak-user base by 2017. Their research uses epidemiological models, similar to the ones used for the spread and recovery of infectious disease, to explain the adoption and abandonment of social media sites. Lamberson (2014) from the Kellogg School of Management published a response to this research pointing out that the model used by Cannarella and Spechler (2013) does not account for an alternative option to Facebook, and advises that users will need a viable alternative before they leave the social networking site.

Lamberson's (2014) argument leads to the idea that although various social media sites may come and go; the idea of social media will prevail and continue to develop. The communication technology used to enable people to socialise will inevitably change, but the need to network and build communities will remain (Allport 1968; Twigg & Parayitam 2006). Thus, social media is likely to take a different form through new

applications, but the idea of social media will still be relevant to organisations, particularly in how they build and maintain relationships with their customers.

2.2 Customer Relationship Management

Although CRM is a common business practice, there is still no universally accepted definition of CRM (Ngai 2005). CRM means different things to different people, and researchers have difficulty in defining what it actually is (Boon, Corbitt & Parker 2002; Chakravorti 2006; Paulissen et al. 2007). To complicate things further, CRM is a concept that is used in marketing theory, as well as Information Technology (IT) and Information Communication (IC) research (Awasthi & Sangle 2012; Ngai 2005; Parvatiyar & Sheth 2001). Moreover, in practice CRM is often viewed as selection of software applications (Porter-Rockwell 2010).

2.2.1 Defining CRM

In reviewing the marketing literature, there are some notable definitions of CRM. Parvatiyar and Seth (2001, p. 5) review a wide range of CRM definitions and conclude that CRM 'is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer'. The emphasis in this definition is that CRM is an organisational strategy to create value with selective customers; it is not just an IT function. In an extensive content analysis, Chakravorti (2006, p. 1) defines CRM as a 'business strategy whereby companies build strong relationships with existing and prospective customers with the goal of increasing organisational profitability'. This definition also includes strategy as a core concept to create valuable relationships. Paul Greenberg (2010, p. 413) defines CRM as 'a philosophy and a business strategy supported by a system and a technology designed to improve human interaction in a business environment'. This definition links the strategy of creating customer value to the use of technology. Jekimovics, Wickham

and Danzinger (2013, p. 153) define CRM as a 'marketing approach that aims to focus a firm's marketing communication activities on their relationship to consumers, and the needs of their target customers'. This definition highlights the importance of communicating with target customers in a CRM marketing approach.

Overall, the key aspects of the above definitions indicate that CRM is a strategy, process or philosophy that uses communication technology to develop and maintain relationships with target customers to create customer value. In this context, a strategy is an overall plan for deploying resources in order for organisations to achieve their goals and objectives (Chakravorti 2006; David 2013). The strategic goal for CRM is creating and maintaining valuable relationships with selective customers, and meeting the needs of the target market (Harrigan, Ramsey & Ibbotson 2011; Jekimovics, Wickham & Danzinger 2013).

2.2.2 Understanding CRM

CRM is a complex management theory that is difficult to understand and implement. It is easily confused with the technology that supports the idea, which can have dramatic consequences for organisations (Awasthi & Sangle 2012). For example, if practitioners simply view CRM as a software programme, such as Microsoft Dynamics or Salesforce, they fail to understand the theory underpinning the idea of CRM. Harrigan, Ramsey and Ibbotson (2011) note that the theoretical concepts supporting CRM are not well known to organisations, especially in Small-Medium Enterprises (SMEs). Organisations may intuitively understand the benefits of CRM and seek to engage in CRM activity, yet they fail to comprehend the key idea of CRM (Harrigan et al. 2011). In order to identify and analyse CRM theory, it is beneficial to explore how CRM developed out of relationship marketing theory and how it relates to social media.

2.2.3 Relationship Marketing

Relationship marketing is a well-established marketing approach (Lovelock & Wirtz 2011). Relationship marketing emerged as a popular new paradigm in the 1980s due to a shift in focus from customer acquisition to customer retention (Chakravorti 2006). Relationship marketing is built on the old idea, which is now at the forefront of marketing theory and practice, of developing valuable relationships with customers by satisfying their needs and wants (Berry 1995; Gronroos 1994). Relationship marketing stresses the importance of developing long-term relationships with customers and other stakeholders (Gummesson 2004).

2.2.4 Customer Relationships

CRM is a subcomponent of relationship marketing (Gummesson 2004; Palmatier 2008). While relationship marketing focuses on developing relationships with all stakeholders, CRM focuses specifically on the relationships with the customer (Harrigan, Ramsey & Ibbotson 2011). Due to its development from relationship marketing, CRM has a strong emphasis on customer loyalty (Lovelock & Wirtz 2011). However, as CRM continues to develop, the emphasis of CRM moves beyond customer loyalty and explores other benefits of forming valuable customer relationships.

2.2.5 Valuable Relationships

Organisations are increasingly using CRM programmes to build valuable relationships with their customers (Chakravorti 2006; Coltman 2007). Harrigan et al. (2011) point out that CRM is one of the most critical activities of an organisation, and the ability of CRM to increase organisational performance through valuable relationships is widely recognised. The performance benefits of CRM include improved customer loyalty, increased personalisation of relationships, enhanced customer service, increased sales, and increased general profitability (Harrigan, Ramsey & Ibbotson 2011; Mansourian

2008). Gummesson (2004) points out the importance of measuring the value of relationships by using relationship metrics to calculate the Return On Relationships (ROR). This enables organisations to determine the long-term cost of establishing and maintaining relationships. One way of calculating ROR, is to determine which relationships are more valuable through customer-value segmentation (Bayer 2010; Gummesson 2004).

2.2.6 Customer-Value Segmentation

Customer-value segmentation differentiates customers according to the revenue they generate, and the costs of establishing and maintaining relationships with them (Bayer 2010; Rouse 2007). This is important, as highlighted by the Pareto 80/20 rule; which holds that for most organisations, 20 percent of customers provide firms with 80 percent of revenues (Bayer 2010; Parvatiyar & Sheth 2001). It is beneficial then, that organisations are able to segment their customers and develop relationships with their most valuable customers (Lovelock & Wirtz 2011).

Using CRM programmes enables organisations to measure the Customer Lifetime Value (CLV) by calculating the profitability of each customer over the life time of the relationship in the present value of future cash flows (Egan 2004; MyCRM 2014). The large databases and better analytics enabled by CRM allow organisations to sort their customers into profitability tiers within the Customer Pyramid (Zeithaml, Rust & Lemon 2001). The CLV can be used to categorise the customers into the tiers of the Customer Pyramid (Danaee et al. 2013). This enables managers to 'pamper' their most profitable customers and 'cultivate' the less profitable customers (Zeithaml, Rust & Lemon 2001, p. 125). However, as Harrigan and Miles (2014) point out, some organisations may be limited by a lack of marketing expertise around issues like calculating CLV.

2.2.7 Implementation Failure

The majority of CRM solutions have fallen short of their promise to improve organisational performance. This makes organisations uneasy about embracing new CRM endeavours (Harding et al. 2004). CRM implementation has a failure rate ranging between 50 and 75 percent (Awasthi & Sangle 2012; Coltman 2007). A global survey by IBM found that only 15 percent of CRM adopters were completely satisfied with the results, and 85 percent of companies had not been fully successful in implementing CRM (Chakravorti 2006). Approximately 70 percent of CRM projects fail to improve organisational performance (Awasthi & Sangle 2012). Another survey by *Infoworld* found that nearly 30 percent of Chief Technology Officers (CTOs) found CRM to be one of the most over-hyped technologies they had seen (Coltman 2007). These figures show that CRM has a high failure rate and it is therefore an idea that needs to be taken seriously by both management theorists and practitioners.

2.2.8 CRM Strategy

A fundamental issue with CRM is the lack of strategy in organisations. CRM projects are viewed as short-term technical projects rather than long-term strategies (Harrigan, Ramsey & Ibbotson 2011). Research shows that CRM depends more on strategy than spending resources on technology; and simply using CRM software for CRM implementation will cause more problems than solutions (Boon, Corbitt & Parker 2002). Furthermore, even when there is 'strategy', many CRM projects fail to integrate the strategic and technological aspects of CRM (Awasthi & Sangle 2012). For CRM implementation to be successful, organisations need to change from a technological view of CRM to a strategic view of CRM (Awasthi & Sangle 2012). A strategic approach of CRM includes both customer communication and customer information management (Harrigan, Ramsey & Ibbotson 2011).

2.2.9 The Application of CRM

Using CRM does not require a dedicated CRM software programme. Harrigan, Ramsey and Ibbotson (2011, p. 520) recommend that SMEs avoid using dedicated CRM software solutions, as they tend to provide largely irrelevant and large-firm oriented services. Simple e-mail and spreadsheet software allow the unique and specific requirements of SMEs to be realised in e-CRM. Therefore, rather than using expensive CRM software provided by organisations (such as Sales Force and Microsoft Dynamics), smaller SMEs and early-stage CRM implementers can benefit readily available software such as Microsoft Outlook, Excel, and Access. This technology is cheaper and requires less staff training, and SMEs can still obtain the benefits of CRM by using these technologies (Harrigan, Ramsey & Ibbotson 2011).

2.2.10 Social Customers

With the development of Web 2.0 technologies, a new type of 'social customer' has emerged that requires a new way of approaching customer relationships (Acker et al. 2011, p. 4). Social media has enabled new ways of building relationships with customers, which is replacing traditional CRM practices (Harrigan, Ramsey & Ibbotson 2011; Jekimovics, Wickham & Danzinger 2013). As such, traditional CRM tools are no longer adequate to engage social customers (Greenberg 2010). Furthermore, some of Australia's largest firms are using social media but are failing to realise its full potential because they fail to develop meaningful customer relationships (Jekimovics, Wickham & Danzinger 2013). In response to finding ways of using social media to manage valuable customer relationships, academics have recently started to develop a new research field called Social CRM (Askool & Nakata 2011; Greenberg 2009; Jekimovics, Wickham & Danzinger 2013).

2.3 Social CRM

Broadly speaking, SCRM is the fusion of social media and CRM. It combines the elements of social media and CRM: social networks, communication technology, communities, relationships, strategy, and customer value (refer to Table 2.1). Paul Greenberg (2009, p. 34) defines SCRM as:

> A philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It's the company's programmatic response to the customer's control of the conversation.

SCRM is also called CRM 2.0, in reference its transformation from traditional CRM by the use of Web 2.0 (Greenberg 2010). SCRM is similar to e-CRM, which is CRM with the use of electronic technology, however SCRM has a specific focus on social media technologies (Harrigan, Ramsey & Ibbotson 2011).

Table 2.1 SCRM Elements

SOCIAL MEDIA	CRM
Social networks	Strategy, process or philosophy
Communication technology	Relationships
Communities	Customer value
Relationships	Communication technology

Askool and Nakata (2011) state that the integration of social media into more traditional CRM systems is an emerging as a new paradigm. Greenberg (2010) states that SCRM as a fully integrated strategy and system remains immature, yet the combination of social media and CRM is ongoing and increasingly coexistent (CRMsearch 2014). As such, SCRM is a new and developing academic field that provides an opportunity for managers to build new types of relationships and get closer to their customers (Woodcock, Green & Starkey 2011). In the context of the building and construction industry, these new types of relationships may enable builders to move away from legal-centric relationships towards stronger and more valuable interpersonal relationships.

2.3.1 Legal-centric Relationships

Within some industries, such as the building and construction industry, customer relationships have traditionally been defined by strict and formal contracts (MBT 2014). These legal-centric relationships use contracts that focus on watertight compliance with specific laws and regulations, and therefore specify the type of formal communication required to give notice of specific events, such as progress payments and Practical Completion Inspections (HIA 2013). The formal communications prescribed in the contracts include letters and preformatted forms, which are also used by practitioners to notify customers of their contractual obligations and the progress of the project. These contracts have traditionally been used to provide support to the weak and problematic relationships between builders and their customers (Siva & London 2011). For example, in the event of a dispute, the contracts provide a legal framework outlining the obligations of each party as well as the procedure for dispute-resolution (MBT 2014). The high risk and weak ties between practitioners and their customers necessitates a binding contract with legal-centric relationships. However, the evolution of SCRM

provides practitioners with an opportunity move beyond these legal-centric relationships by developing stronger ties with their customers.

2.3.2 Developing Strong Ties

In contrast to the legal-centric relationships, SCRM allows organisations to develop stronger relationships (ties) with their customers (Wu 2011). A weak-tie is a relationship with an acquaintance, while a strong tie is a relationship with a close friend or family member (Law, Wong & Lau 2005). Granovetter (1973, p. 1361) defines the strength of relationship ties as a 'combination of the amount of time, the emotional intensity, the intimacy, and the reciprocal services which characterise the tie'. These four factors can be leveraged through SCRM. For example, the use of SCRM allows organisations to: spend more time communicating with valuable customers (Harrigan, Ramsey & Ibbotson 2011), provide a high level of social presence that delivers more emotional intensity (Coviello et al. 2014; Kaplan & Haenlein 2010), create a new kind of customer intimacy through social networks (Feig 2007), and to use reciprocity, which is arguably one of the distinguishing features of social media (Dodaro 2011; Vallor 2012). Therefore, the ability of SCRM to use these four factors of time, emotional intensity, intimacy and reciprocity, allows organisations to strengthen their relationships (ties) with their customers.

2.3.3 The Strength of Weak Ties

SCRM also allows practitioners to increase the number of weak-ties, which increases opportunity and access to resources (Borgatti 2014). Managers that have relationships with potential customers with whom they spend little time or they do not confide in, have a weak-tie with that customer. These acquaintances are less likely to have relationships with other acquaintances than the practitioner's close friends or family (Granovetter 1983). The weak ties between practitioners and acquaintances provide an

important link between groups of close ties (close friends). It is these people with whom partitioners are least connected that offer the most opportunity and access to resources (Borgatti 2014; Conley 2013). The strength of weak ties is the connection they provide between groups of pre-existing relationships. Research shows that while weak ties are beneficial for uncovering opportunity, strong ties are critical for business referrals (Misner & Steén 2014). Therefore, practitioners can utilise the strength of weak ties to increase opportunity and access to resources, and sustain strong ties to increase business referrals.

2.3.4 SCRM Acceptance and Use

One study of interest for this research is the development of a theoretical model for the acceptance and use of SCRM. Askool and Nakata (2011, p. 211), from Reading University, present the 'Conceptual model for understanding SCRM usage and acceptance' as shown in Figure 2.1 below. Their research builds on the Technology Acceptance Model (TAM) which uses 'perceived usefulness' and 'perceived ease of use' to predict the use of new technology (Davis, Bagozzi & Warshaw 1989). The research by Askool and Nakata (2011) inserts five more factors to the model: Web 2.0 features, familiarity (between customer and employees), care (for customers), information sharing, and perceived trustworthiness. The Web 2.0 features used are ease of networking, ease of participation, and ease of collaboration; these represent the external factors in the TAM (Askool & Nakata 2011; Davis 1989).

Figure 2.1 Conceptual Model for SCRM Usage and Acceptance

Figure 2.1 Conceptual Model for SCRM Usage and Acceptance

Conceptual model for understanding SCRM usage and acceptance.

Askool and Nakata (2011, p. 211)
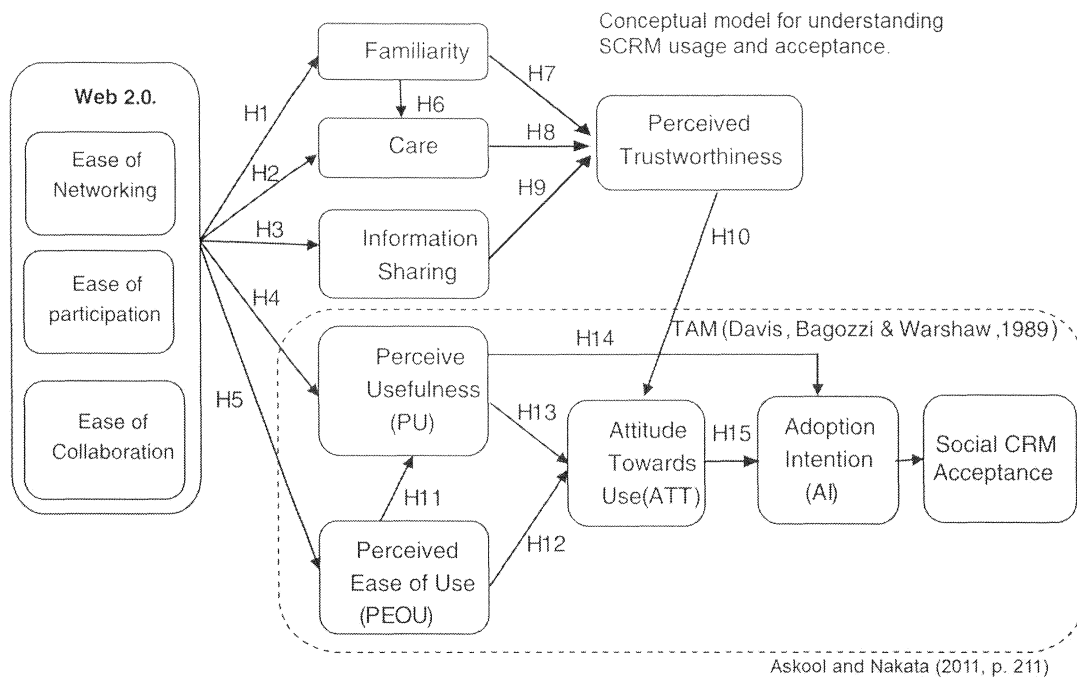
2.3.5 Trustworthiness

The 'Conceptual model for understanding SCRM usage and acceptance' seeks to identify which factors influence the extent of both customers and the organisation's use of SCRM (Askool & Nakata 2011). It is important to note that the factors presented in this model focus on customers' perceptions of employees, while this research focuses on builders' perceptions of their customers. As such, the flow of trust in the builder-customer dyad is reversed.

The research by Askool and Nakata (2011) proposes that Web 2.0 features will positively influence 'familiarity', 'care' and 'information sharing', which will then positively influence 'perceived trustworthiness', which will in turn positively influence 'attitude toward use' and ultimately influence SCRM use. Testing all the variables in this model and collecting data on customers is beyond the scope of this study, however

there is value in proposing the 'perceived trustworthiness' between customers and organisations is a key factor that may influence SCRM use.

2.3.6 Technology Acceptance Model

Curran and Lennon (2011) also have researched the constructs that influence consumer attitudes and use of social media. Their study showed that the constructs of 'ease of use' and 'usefulness' used in the TAM showed no significant part in influencing the use of social media, but rather, the 'level of enjoyment' derived from using social media is the strongest influencing factor (Curran & Lennon 2011). However, the study was conducted on college students, rather than business practitioners, which are likely to have different uses for social media. Moreover, this research was on social media generally and not about SCRM, which has the purpose of building trust and brand loyalty with customers.

2.3.7 Extent of Use

There are various ways to study the extent of social media use. Jekimovics, Wickham and Danzinger (2013) researched the extent to which large Australian organisations were using the advantages SNSs and e-CRM (which has been defined as SCRM in this research). They developed six specific advantages of SCRM; interaction, collaboration, real-time communication, customer targeting, transparency, and brand engagement. Their research used a longitudinal content analysis on the organisations' Facebook sites, and used these six advantages of SCRM to determine the extent of SCRM and their effectiveness (Jekimovics, Wickham & Danzinger 2013). Parsons (2013) also conducted a content analysis on leading brands' Facebook pages and used the frequency of company posts per month to determine the extent of social media use. Kukreja, Sheehan and Riggins (2011) researched the use of social media by pharmacists and used the time spent on social media sites to determine the extent of social media use.

Zhao et al. (2013) used the number of social media applications available on the e-commerce sites of the Fortune 500 corporations to research the extent of social media use by large organisations. Therefore, previous research has determined the extent of social media use by examining the specific advantages of SCRM, the frequency of posts, the time spent on social media, and the number of social media applications used.

2.3.8 Sense of Community

The research by Scheepers et al. (2014) found that the construct 'sense of community' is the dependent variable for determining social media use. This construct aligns with the concept of community used in the definition of social media. Papadopoulos et al. (2012) published a study explaining the difficulty of community detection in social media. Their research shows that despite the proliferation of community detection methods recently developed, mostly around graphing community structures; these methods are not efficient for community detection social media (Papadopoulos et al. 2012). This indicates that although a sense of community is important for social media use, the difficulty in detecting communities may be problematic.

The research by Scheepers et al. (2014) identifies four sub-constructs that indicate the existence of a community: information seeking, hedonic behaviour, sustain of strong ties, and extending weak ties (Figure 2.2). Information seeking behaviour has previously been identified by Park, Kee and Valenzuela (2009) as a primary need for participating in social media. Hedonic behaviour is the use of social media for self-fulfilling value, predominantly for fun and entertainment (Wang & Scheepers 2012). The sub-constructs of sustaining strong ties and extending weak ties refer to the work of Granovetter (1973) previously mentioned. The authors strengthen the validity of this concept by referring to the work of Haythornthwaite (2002) which asserts that the

impact of these ties are as real online (through social media) as they are in offline exchanges.

Figure 2.2 Research Model for Social Media Use
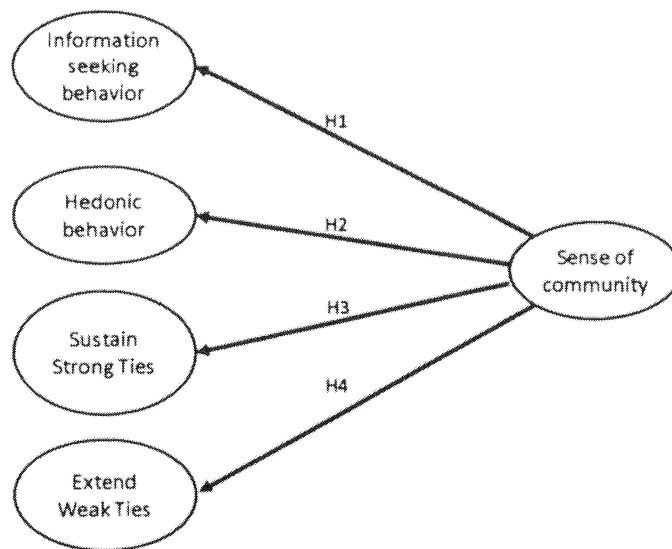
Scheepers et al. 2014

2.4 Research Questions

In summary, this literature review has highlighted the importance of social media and the benefits of using CRM. There is insufficient research exploring the extent to which building organisations are using social media to establish and develop valuable relationships with their customers. Therefore, the first research question is:

R1. To what extent are builders using social media for customer relationship management?

The academic literature also highlights several issues and the complexity of managing customer relationships. Following on from research question one, if builders are using social media, how are builders using SCRM and how are they addressing these complex issues? There is little knowledge as to how they are using social media for CRM, therefore the second research question is:

R2. In what ways are builders using social media to manage customer relationships?

The literature review presents models and factors that explain why businesses and customers use social media. Are these factors evident in the reasons why builders use, or decide not to use, social media? Are there other factors that influence why builders use social media? Therefore, the third research question is:

R3. What influences the extent to which builders use social media?

2.5 Conclusion

This chapter has reviewed the relevant literature, focusing on social media, CRM and the emergence of SCRM. Social media was defined, and the concepts of communities, social networks and relationships were explored to establish social media as an important idea for business. The literature on CRM was reviewed to understand the underpinning concepts of relationship marketing and the importance of valuable relationships. The issues of customer-value segmentation, implementation failure, strategic orientation, and the emergence of social customers were also explored. SCRM was presented as the fusion of social media and CRM to embrace the new social customer. Previous research was reviewed about the development of SCRM, including the Conceptual Model for SCRM Use, and the Research Model for Social Media Use. The research questions were developed from the review of the literature to guide the research process. The following chapter will provide an overview of the research method.

3 Research Method

This chapter describes the research design and method used in this study. The methodological approach is given, and a justification for using exploratory research with a qualitative approach is provided. The process for selecting the research participants is detailed, as well as the data collection. Lastly, the procedure used for the data preparation and analysis is explained.

3.1 Methodological Approach

The researcher takes a post-positivist methodological approach to this research. Post-positivism is one of the three major methodological approaches to qualitative research; it assumes that the social world is patterned and that causal relationships can be discovered and tested using reliable research methods (Hesse-Biber & Leavy 2011). The researcher also takes a realist ontological position. Realists see the world as being 'out there' waiting to be discovered; they assume that the world exists independently of humans and their interpretation of it (Neuman 2011, p. 92).

3.2 Exploratory Research

Neuman (2011) explains that exploratory research is used when the subject is new, there is little known about the subject, or the subject has not yet been explored. SCRM meets these criteria as it is a new and emerging field of academic enquiry that requires further exploration (Askool & Nakata 2011; Greenberg 2010; Harrigan & Miles 2014; Nitu, Tileaga & Ionescu 2014). Due to the limited prior knowledge and conceptual development, exploratory research is best suited to a qualitative approach (Hesse-Biber & Leavy 2011; Labaree 2014; Mack et al. 2005; Mansourian 2008, p. 10; NHMRC 2007; Saunders, Lewis & Thornhill 2003). This aligns with the statement by Neuman

(2011, p. 39) explaining 'that most exploratory research uses qualitative data'. Saunders, Lewis and Thornhill (2003, p. 248) also support a qualitative approach for exploratory research, and list semi-structured interviews as an appropriate method for data collection because it aligns with the purpose of the research.

3.3 Participants

Building organisations vary in size and may include various people engaged with social media and customer relationship management. As such, selecting the appropriate participants for the interviews can be difficult. Neuman (2011) recommends that researchers deal with 'gatekeepers' who have formal or informal authority to control access to a site. Accredited building practitioners are the individuals legally responsible for the legislative compliance of their organisations (*Building Act* 2000). However, the accredited builders may not be the individuals who directly engage with the customers or make the marketing decisions. Therefore, accredited builders were used as gatekeepers to their organisations.

3.3.1 List of Accredited Builders

A list of accredited builders is publically accessible from the Department of Justice (2014) website. The list has information such as the builder's name, their business name, and their location. As of May 2014, this list contained 1,362 accredited builders in Tasmania. It is practically impossible and inappropriate to interview all of these builders. Therefore, an Excel spreadsheet containing the number of potential participants was filtered by postcode to only include those in the Launceston area (see Appendix A).

An internet search was then conducted for every practitioner on the list of 200 accredited builders to collect details about their businesses. These details included information such as; email address, business website, and social media accounts. Some

builders are registered to businesses that have company name which is different to their trading name. Therefore business that were named after the builder's individual name, or businesses that were named as a trust, were 'looked up' using the Australian government's ABN Lookup to determine the organisation's trading name. The trading names for these businesses were then used in the search to collect the details about the organisation.

3.3.2 Categories of Social Media Use

Once details about the organisation were collected and added to the spreadsheet, potential participants were then classified into five categories according to their social media use and the presence of a business website (see Table 3.1). An organisation was determined to have a website and social media account if they could be found by internet search. Organisations that had an active account and had posted content within the previous six months were considered active. Organisations that had a social media account, but had not uploaded new content in the past six months were classified as dormant.

Table 3.1 Categories of Social Media Use

Category 1	organisations with a website and an active social media account
Category 2	organisations with a website and a dormant social media account
Category 3	organisations with a website but no social media account
Category 4	organisations with no website but had a social media account
Category 5	organisations with no website and no social media account

Once the categories were added to the list of builders in the spreadsheet, the list was then verified by conducting an internet search for builders in the Launceston area. Business names of building companies found in the internet search were cross-referenced with the building practitioners in the spreadsheet. This check ensured that all builders were included in the list and that relevant postcodes in the Launceston area were not missed in the filtering process. Once verified, this refined list of 200 builders provided a suitable sampling frame in which to contact potential research participants.

3.3.3 Participant Selection

Accredited builders were then selected from the sample frame to be invited to participate in the research. Builders were intentionally selected from all five categories of social media use. As such, participants were selected from organisations that were actively using social media, as well as organisations that were not using social media. This was so that a wider range of data could be collected on the influences of social media use.

Builders on the list were initially contacted by phone and invited to participate in the research. The builders were provided with an information sheet, which explained the purpose of the study and outlined the ethics approval requirements. The letter of invitation (Appendix B) and the information sheet (Appendix C) are included in the appendices. In total, 22 builders were contacted; ten were interviewed, three declined, and nine builders either did not call back or were unable to commit to a suitable interview time. The builders and their categories are shown in Table 3.2 below.

Category	Participants in Category	Participants Contacted	Percent Contacted	Participants Interviewed	Percent Interviewed
Cat 1	15	12	80%	5	33%
Cat 2	2	2	100%	0	0%
Cat 3	46	6	13%	3	7%
Cat 4	6	1	17%	1	17%
Cat 5	131	1	1%	1	1%
Totals	200	22	11%	10	5%

3.1 Data Collection Procedures

Semi-structured interviews were used, which are the most widely utilised interviewing format for qualitative research (DiCicco-Bloom & Crabtree 2006). Semi-structured interviews combine the benefits of both structured interviews and unstructured (open) interviews (Saunders, Lewis & Thornhill 2003). As recommended by Erikson and Kovalainen (2008), the interview questions were prepared in advance that aligned with the research questions developed from the literature review.

An interview schedule (see Appendix D) was used, which enabled a systematic and comprehensive coverage of the key concepts, yet still allowed the tone of the interview to be conversational and informal (Erikson & Kovalainen 2008). The semi-structured interviews also allowed the participants to respond to the questions and express their views in their own words (Cohen & Crabtree 2006). This format gave the researcher the flexibility to ask further questions and explore new topics and themes during the interview process (Neuman 2011). In line with the requirements of ethics approval,

participants were also asked to sign a consent form (see Appendix E). All of the interviews were digitally recorded on an audio recording device for transcription.

3.2 Data Preparation

The digital audio recordings of the interviews were transcribed in a Microsoft Word document by the researcher. The transcribed documents were then de-identified by deleting the participant's name and the organisation's details within the document, and saved as an anonymous 'ID' number (see Table 3.3). The ID numbers used for naming the document files were kept with the corresponding participants in a spreadsheet for re-identification if required. There were ten interview documents totalling 115 pages of transcription text and 52,577 words, as shown in Table 3.3.

Table 3.3 Interview Data

ID	Pages	Words	Recording Time
003	20	10,633	1.36.11
043	10	4,751	43.45
046	9	3,447	44.14
047	7	2,374	23.44
070	13	5,763	1.23.34
073	7	3,359	27.22
092	11	5,119	1.03.06
158	5	1,717	17.01
170	8	2,554	38.33
186	25	12,860	1.34.43
Total	115	52,577	8:52:13

3.3 Data Analysis

Data analysis is a process whereby the researcher seeks to produce a convincing explanation of the phenomena under investigation (Carcary 2011). For this research, Computer Aided Qualitative Data Analysis Software (CAQDAS) was used (NVivo 10™) to facilitate the qualitative data analysis. CAQDAS programmes expedite time consuming tasks and allow the researcher to focus on the conceptual work of analysis (Carcary 2011). Wickham and Woods (2005) assert that CAQDAS programmes are valuable in qualitative research because of their usefulness in data management and support of the coding processes.

3.3.1 CAQDAS Coding

Coding is a process of converting information into contextual values for the purposes of data storage, management, and analysis allowing theme identification (Lehman & Wickham 2014). In qualitative research, a code 'symbolically assigns a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based or visual data' (Saldana 2009, p. 3). The central idea of coding is that a uniform set of indexing categories is applied systematically and consistently to the data (Mason 2002). When using CAQDAS programmes, the data is coded to a node. A node is a collection of references about a specific theme or concept (QSR 2014). Nvivo™ allows all the data coded to a node to be viewed by browsing the node; the software collects all the relevant data from the original data source and presents them together for analysis (Carcary 2011). These nodes can be formed into hierarchies (called parent and child nodes) which assist the researcher with data analysis (QSR 2014).

3.3.2 Node Development

At the beginning of the coding procedure, initial nodes were created for each of the questions in the interview schedule. The data collected in response to the interview

questions were then coded to the interview question nodes. This allowed a holistic view of all the responses for each interview question. Parent nodes were then created for each of the research questions (R1, R2 & R3), and child nodes were created under these to represent the different themes and concepts which emerged during data analysis.

The child nodes created under research question one (R1) directly relate to the concepts derived from the literature review. These nodes (Figure 3.1) were created before coding (with minor editing) and the data were deductively coded to these nodes. Deductive coding is used to test a theories or hypotheses against the data (Hesse-Biber & Leavy 2011, p. 5). These nodes were used to analyse the data to determine the extent builders are using social media for customer relationships management.

Figure 3.1 R1 Nodes

- R1. To what extent are builders using social media for CRM
  - 2. Do you use social media
    - 2.1 Social media applications
    - 2.2 Time spent on social media
    - 2.3 Number of posts
    - 2.4 Strategy and IT
    - 2.5 SCRM failure rate
  - 3. CRM
    - 3.1 Keep client records for CRM
    - 3.2 Customer Lifetime Value - Customer Pyramid
  - 4. Use of SCRM 6 specific advantages
    - 1. Interaction - start discussions with potential customers
    - 2. Collaboration - sharing knowledge, learning new things, and trying to building consensus
    - 3. Realtime Communication - interact and exchange information quickly with your customers
    - 4. Customer Targeting - indentify and interact with your most profitable or valuable customers
    - 5. Transparency - make your organisation more transparent
    - 6. Brand Engagement - try and form an attachment between your brand and your customers
  - 5. Individual participation

The child nodes (Figure 3.2) created under research question two (R2) were created during the data analyisis. As set out in the litrature reivew in Chapter 2, this research

question sort to explore the ways builders use social media. With this in mind, the data were reviewed for emerging themes and coded inductively. Inductive coding considers multiple meanings contained within the data, and generates ideas and theory directly out of the data (Hesse-Biber & Leavy 2011, p. 5; Mason 2002). The inductive process includes gathering information, asking questions, forming categories, looking for patterns, and developing theory. Some of the nodes developed during the data analysis started to resemble the 'sense of community' concepts presented by Scheepers et al. (2014) so these nodes were amended to align with the community concepts.

Figure 3.2 R2 Nodes

- R2. In what ways ar builders using social media to manage customer relationships
  - 1. SCRM Strategy (goals & objectives)
  - 3. Sense of Community (behaviour)
    - 3.1 Sustain strong ties (existing customers)
    - 3.2 Extend weak ties (new customers)
      - Generate sales
      - Show off exisiting work
    - 3.3 Information seeking behaviour
      - Provide Information for customers
      - Research specific customers
      - Watch other businesses
    - 3.4 Hedonic behaviour (fun activities)
  - 4. Customer Segmentation (demarcate genuine customers)
  - 5. Brand Awareness
  - 7. Experiment or Trying new things
  - 8. Management of Social Media
  - 9. Builder Directory Search Sites
  - Content

Most of the child nodes for research question three (R3) were also created before analysis. These nodes (Figure 3.3) relate to the factors used in TAM and conceptual model used byAskool and Nakata (2011), the constructs for a 'sense of community' developed by Scheepers et al. (2014), and the barriers suggested by Jekimovics,

Wickham and Danzinger (2013). As such, the data relating to these concepts were coded to these nodes to analyse these factors in more detail.

Figure 3.3 R3 Nodes

- R3. What influences the extent to which builders use social media
  - 1. Technology Acceptance Model
    - 1.1 Attitutude Towards Social Media
    - 1.2 Perceived ease of use (free of effort)
    - 1.3 Perceived usefulness (improve performance)
      - Advertising - Brand Promotion
      - Customer Acquisition
      - Limited by Post construction issues
      - Limited by Type of clients or work
    - 1.4 Adoption Intention
  - 2. Perceived trustworthiness
  - 6. Sense of Community (influence)
    - Extend Weak Ties (new customers)
    - Hedonic Behaviour
    - Information Seeking Behaviour
    - Sustain Strong Ties (existing customers)
  - 7. Barriers to SM use
    - 1. Difficulties in establishing meaningful relationships
    - 2. Demarcate Clients
    - 3. Measurment of ROI in SCRM
    - Annoy people
    - Lack of Control
    - Lack of Knowledge or Understading
    - Legal concerns
    - Privacy concerns
    - Risk of Defamation or Bag-out
  - 8. Drivers of SM use
    - Get to know SM
    - Other businesses use of social media
    - The way of the future or Left behind

The coding process was iterative and the structure of the nodes developed throughout the data analysis (Carcary 2011). Some nodes lacked enough empirical support to justify their existence and were deleted, while other nodes had ample data and were

broken down further into sub-nodes. For example, data coded to the node

R3\1.Technology Acceptance Model\1.4 Perceived usefulness had a number of

emerging themes within it, so grandchildren nodes were created to represent the

different themes contained within the node (refer to Figure 3.3). After the nodes were

refined throughout the coding process, all of the data within the interview documents

were re-coded using the new node structure to ensure consistency throughout all data

sources.

During the data analysis, coding reliability checks were performed to ensure that the

data were coded consistently, and within the rules of the respective nodes (see

Appendix F). To assist with the data analysis and research reporting stages, a memo of

research notes was maintained in Nvivo™ to record ideas as they emerged, and

facilitate the interpretation of the general body of data. The results and findings of the

data analysis are presented in Chapter Four.

3.4 Conclusion

This chapter provided a description of the design and method used in this research

project. A methodological approach was noted and the topic was justified as suitable for

exploratory research using qualitative methods. An account was also given about how

the participants were categorised and selected from a list of accredited builders. This

chapter also provided details about how the data were collected using semi-structured

interviews and analysed using Nvivo™ software.

4   Findings

This chapter presents the findings from the data analysis set out in Chapter Three. A number of key themes were developed during the data analysis. These themes are described here and form the framework for the following sections.

4.1   Social Media Use

Even before the interviews, the selection process for the participants provided some insight into the extent of social media use. As outlined in Chapter Three, 200 building organisations in the Launceston area were searched for online and categorised according to their social media use and the presence of a business website. Only 7.5 percent of these builders had both a website and an active social media account (Table 4.1). More than half of the Accredited Builders in the Launceston area did not have a website or an active social media account.

Table 4.1 Online Presence

Category	Online Presence	Total	Percent
Cat 1	Website + Active SM	15	7.50%
Cat 2	Website + Dormant SM	2	1.00%
Cat 3	Website but No SM	46	23.00%
Cat 4	No Website but have SM	6	3.00%
Cat 5	No Website and no SM	131	65.50%
		200	100.00%

The responses from the participants during the interviews revealed that the posting frequency on social media is limited. The most common frequency of posting, as reported by the participants using social media, is once a month. The participants also reported they spent little time using social media. The most amount of time spent on social media was one hour per week. The results, as summarised in Table 4.2, show that most of the respondents spend approximately one hour per week using social media for their business.

Table 4.2 Time on Social Media

ID	Time	Unit
003	Once	Fortnight
092	1- 2 Hours	Month
046	1 Hour	Week
047	1 Hour	Week
070	1 Hour	Week
170	< 1 Hour	Week

The participants indicated that they were using a variety of social media applications (see Table 4.3). Of the participants that are using social media; all of the builders were using Facebook, half of the builders are only using one application, and none of the builders are using more than three social media applications. Twitter was not being used by any of the participants for their business.

Table 4.3 Use by Social Media Application

Social Media Application	003	043	046	047	070	073	092	158	170	186
Facebook	Y		Y	Y	Y		Y		Y	
Twitter					N	N				
LinkedIn			Y			N				
Google+	N		Y							
YouTube				Y						
Pintrest				Y						
Blog					N					
Y = using. N = not using. Blank = not mentioned.										

4.2   CRM Use

As highlighted in the literature review, an important part of using CRM programmes is to keep records in order to maintain customer relationships with potential customers, existing customers, and previous customers (Harrigan, Ramsey & Ibbotson 2011). Only one participant was using client records to manage the relationships with existing and potential customers. These details were used to send newsletters to all current sales leads and previous clients. All of the builders were keeping client records, however few of the participants indicated that they were keeping records to manage customer relationships. Some of the respondents advised that the main reason for keeping records was for legal and insurance purposes, as illustrated in the quote below:

> "Yeah we do keep a record of their details. There is a file done, each job has a full file with every aspect of the build. It is mostly done for liability and insurance reasons because we hold the can for six years" (003).

4.3   Customer-Value Segmentation

Effective use of SCRM also allows organisations to segment their customers according to their value to the organisation (Danaee et al. 2013; Zeithaml, Rust & Lemon 2001). This includes existing customers and potential customers. In this study, there was a strong sense of builders wanting to treat all of their customers as equally valuable to the organisation. One respondent discussed how they treat each sales enquiry as equally valuable:

> We treat everyone as a potential sale; there is no doubt about that. We don't have categories where we put the difficult ones and deal with them later; we just deal with them as they work through our system (047).

Another respondent discussed the difficulty in determining the customer's financial situation, so they treat each customer as equally valuable:

> You can't pick them. The ones you think have got no money; they will put 20 grand cash on the table. You can't pick them; and you shouldn't try to pick them (092).

Participants also discussed the complexities and difficulties with segmenting customers according to value. For example, most builders found it hard to accurately determine the value of a customer relationship before signing a contract. To illustrate this point, one builder explained how they engaged an exceptionally demanding customer who, despite their initial expectations, turned out to be very valuable customer for their organisation:

> Well as we got through and we were working with this client, it was "woof woof woof" and it was always, 'I want you to ring me ring me ASAP it is urgent'. Well when we got to the end of that job, and we just went along and did our job, when we got to the end of that job; that client today is still one of the best clients we have ever built for (186).

The difficulty of determining customer value also worked the opposite way, where builders treat online customers as valuable enquires, but end up frustrated when they end up wasting their time. This was particularly the case when online customers were not upfront with the type of work they wanted the builder to quote, and that a considerable number of online enquires do not eventuate into sales. Builders also found it difficult to determine the value of enquires online compared with face-to-face contact.

> If that was face-to-face, I would never have made that mistake, I would have had that sorted, second conversation. But that is a down side with email and… [social media] yeah you don't know who is at the other end basically (070).

Despite the lack of CRM process for customer-value segmentation, one technique of determining customer value was discussed. The presence of mutual relationship ties was used determine the likelihood of the sales enquiry and quote being successful. If the potential customer did not have any mutual relationships on social media, the enquiry was more likely to be less valuable.

> If I have a random person that has an open profile and I don't have any friends in common with them; they are the ones that fall through. And that is not from me going no I won't quote you a job, I have quoted them and just never hear anything from them (170).

These findings suggest that builders are not using customer records for developing relationships through CRM programmes, but are mainly keeping records to service legal-centric relationships for liability reasons. Builders are also not using CRM to as a process for customer value segmentation. Some of the reasons that were given by the

builders are the nature of having one-off clientele, the difficulty in predicting the value of customers over the duration of the build, and the desire to treat all customers as equal.

4.4 Use of SCRM Advantages

Jekimovics, Wickham and Danzinger (2013) used the six specific advantages of SCRM to determine the extent Australian organisations were using social media. As outlined in Chapter Three, nodes were created in the analysis process for each of these six advantages and data that provided evidence of these advantages being used by builders were coded to these nodes. The results, as summarised in Table 4.4 suggest that none of the builders said that they are using all six advantages. Of the builders that are using social media, most of them are only using two or three of the advantages. The most common advantages being used are transparency and collaboration.

Table 4.4 Use of the Six Specific Advantages of SCRM

Advantages	003	043	046	047	070	073	092	158	170	186
Interaction	N	X	N	N	N	X	Y	X	Y	X
Collaboration	Y	X	Y	N	Y	X	N	X	Y	X
Real-time Communication	Y	X	N	N	N	X	N	X	N	X
Customer Targeting	Y	X	N	N	N	X	N	X	N	X
Transparency	Y	X	N	N	Y	X	Y	X	Y	X
Brand Engagement	Y	X	Y	N	N	X	N	X	N	X
Y = using. N = not using. X = not using SM.										

4.5 SCRM Strategy

As identified in the literature review, a lack of strategy is a fundamental issue for organisations implementing SCRM programmes (Boon, Corbitt & Parker 2002;

Harrigan, Ramsey & Ibbotson 2011). The findings from the interviews show that there is a noticeable absence of social media strategy being used by building practitioners. One of the participants understood that having a social media strategy would be beneficial to the organisation; however it was not a current focus:

> I don't, and I don't with my webpage or any of the marketing. I understand it would be a good idea; it is just something I just can't focus on. I just can't focus on it (003).

Formulating goals and objectives is an important part of developing a business strategy (David 2013). In each interview participants were asked if they have specific goals or objectives when posting content on social media. Although most organisations did not have a formal strategy, when prompted, participants were able to indicate specific goals or objectives. The main goals for posting content were to generate customer interest, position the brand, brand exposure, and to directly generate sales.

4.6 Sense of Community

The interview data were analysed for evidence of ways in which builders are using social media to develop a sense of community. As discussed in Chapter Three, the four sub-constructs proposed by Scheepers et al. (2014) were developed as nodes. These sub-constructs frame the following discussion.

4.6.1 Extend Weak Ties

In order to prompt responses about the use of social media to extend weak ties, participants were asked if they used social media connect with new customers. Most of the builders had difficulty connecting with new customers or did not think it was appropriate for their business. The builders were unsure of what content to post on

social media that would actually initiate a conversation with potential customers. The content they did post on social media did not generate the desired response.

> I think it was the lady from [advertising company] came and said, 'try and get conversations going'. I tried that a few times and I found that I didn't get, like, a response or a comment or… like, it is really hard… (070).

Despite the difficulties in establishing new relationships, some of the builders recalled examples of success. Some of the most successful ways of using social media were posting professional photos of buildings that were being submitted for awards, and posting content about an award that the organisation had recently won. Builders found that these posts generated the most interaction from potential customers.

4.6.2 Sustain Strong Ties

Strong ties are close relationships with existing friends or customers (Granovetter 1973). Some builders had success in connecting with new customers; however they did not find social media to be a suitable medium for continuing to develop the relationship. For example, one builder had a potential customer contact them on Facebook, however as the relationship developed, they moved the conversation to other forms of communication:

> The lady started making communication through Facebook, they have got her off Facebook on to email, because it was going a bit personal with what she wanted (092).

There was a concern that sustaining strong ties beyond the life of the construction project may be counterproductive to the organisation. Builders found that sustaining close relationships with previous customers encourages them to ask for more value (e.g.

a lower price or more work for free) from their builder, which costs more money. Builders were also reluctant to get in contact with their previous customers because of the general building maintenance issues that they would raise (e.g. leaking taps), which they expected the builder to fix for free. The perceived risk of raising maintenance problems outweighed the perceived benefit of maintaining strong relationships.

Builders also expressed concern about posting content, such as pictures, that could incriminate practitioners for unintentional breaches of OH&S legislation. Participants also preferred to avoid communication channels that were not recorded. They favoured more formal communication, such as emails and letters, which they could use as proof if required.

In general, builders were reluctant to move away from legal-centric relationships, and had difficulty establishing meaningful relationships through social media. One builder summed this up by stating why Facebook is not working for them:

> We don't build a relationship. That's the thing, Facebook is not working for us; we don't really build that relationship (092).

4.6.3 Information Seeking Behaviour

Builders were using social media to provide information to their customers, to gather information about their customers, and to gather information about other businesses. Some of the information provided to customers related to generating sales by providing information about the product. Information was also provided to potential customers about general building issues in order to raise awareness of building maintenance problems.

> I've used some posts in the past to make people aware of just maintenance problems around the home that they might not necessarily know about. Like water leaks and shower problems and things. [170]

Builders were also using social media to observe what other businesses and building practitioners were doing. This information was used to make decisions about if and how they could use social media for their own organisation.

4.6.4 Hedonic Behaviour

Hedonic behaviour is using social media for activities for fun and entertainment (Scheepers et al. 2014). There was some evidence of hedonic behaviour being used by builders to engage their audience. Builders were using social media to run fun competitions, to show a more casual and relaxed side of their organisation, and to share their involvement in fun charities. For example, one builder posted content about participating in the charity event 'Movember'.

> For Movember I might send out, 'we are doing Movember this year make sure everyone sign up'. We got a lot of comments with the moeys [sic] on there, people sort of comment about that aspect (092).

Some interviewees reported a favourable response from their customers to these hedonic posts.

4.7 Technology Adoption Model

As set out in Chapter Two, 'Perceived Usefulness' and 'Perceived Ease of Use' are factors that influence a person's attitude towards using technology (Davis, Bagozzi & Warshaw 1989). This model was expanded by Askool and Nakata (2011) to specifically cater for SCRM adoption and usage. They hypothesised in their conceptual model that

'Perceived Trustworthiness' would also influence a user's 'attitude towards use' of social media.

4.7.1 Perceived Ease of Use

Perceived ease of use refers to the 'degree to which a person believes that using a particular system would be free of effort' (Davis 1989, p. 320). In this study participants were asked how easy they thought social media was to use. All of the participants, except for one, said that social media was easy to use, or they expected that it was easy to use. Builders responded that some social media applications were easy to use, while others are more difficult. Some of the participants stated that social media may be easy to use, but implied that it was more difficult to use it effectively.

> I don't think it is hard to use. It is not hard to use, but is it hard to use correctly (186)?

These responses highlight the complexity in examining perceived ease of use for SCRM. For example, it is easy to post a picture on social media, but a lot more difficult to regularly publish content that will be seen by large numbers of people and engage your audience (Greenberg 2010).

4.7.2 Perceived Usefulness

Perceived usefulness is defined as 'the degree to which a person believes that using a particular system would enhance his or her job performance'(Davis 1989, p. 320). Although most of the builders stated that social media would be, or is, useful for their business, most of builders also expressed concern that social media may not be suitable for managing the types of relationships they have with their customers. For example, one builder compared their business to a retail outlet to explain the complexity of the customer relationship due the duration of the sales process and the building contract:

> The thing is; there is a difference between building a home, and… a business which is in a retail outlet… we probably got 6 to 7 months where we are constantly one on one on relationship with the client (186).

Some of the other reasons for the complexity of the builder-client relationship were: low turn-over of clientele, the size of the purchase, the tender process, complexity of the product, the cost of the product, and the complexity of service recovery. In general, builders put less focus on customer retention and more focus on maintaining a workable relationship with the customer.

Some participants thought that social media could be useful but expressed concern that the potential benefits did not warrant the time need to create a successful social media presence. Builders also recalled the difficulty in measuring social media use in contrast to other online marketing resources. One builder mentioned that measurement of social media performance was a direct influence on their intention of future social media use:

> So if someone could tell me how to increase our turnover through social media, and give us a measurement of that; I am there (003).

4.7.3 Attitude Toward Use

All of the participants were asked what their attitude was towards using social media. Four participants indicated a favourable attitude; three of these four responses included a concession phrase with their support of social media. For example, builders would state the benefits of using social media, but immediately acknowledge a limitation.

> It has its place. For [organisation] as a group, I think it is good and it is good for promoting the brand, but it is not going to create a lot of new customers for us (046).

One builder expressed a neutral attitude toward social media, and another builder said that they did not have a good enough understanding of social media to comment. Four builders expressed an unfavourable attitude towards social media. The reasons for this were largely because of the perceived potential harm they associated with social media, the lack of foreseeable benefit from social media use, and the risk of defamation.

4.7.4 Adoption Intention

Three builders said that they do not intend to start using social media; of these three builders two gave a temporal answer. For example, they were not intending to use social media for their business, but they did not rule out adopting social media in the future. One builder did not want to say no, but could not see it happening in the immediate future. A summary of the responses relating to the factors in the Technology Acceptance Model is presented in Table 4.5 below.

Table 4.5 TAM Results

TAM	003	043	046	047	070	073	092	158	170	186
Ease of Use (easy)	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Usefulness (useful)	Y	Y	Y	Y	N	N	X	Y	Y	Y
Attitude (favourable)	-	-	Y	N	N	N	Y	Y	Y	N
Adoption Intention	Y	Y	Y	N	Y	N	Y	-	Y	N
Using social media	Y	N	Y	Y	Y	N	Y	N	Y	N
Y = Yes. N = No. - Neutral.										

4.8   Perceived Trustworthiness

Askool and Nakata (2011, p. 214) define perceived trustworthiness as 'an expectation of another party's behaviour according to previous action'. This definition of trustworthiness potentially excludes the themes of trust that emerged in this research, such as the 'risk of defamation' by online customers. This is because the builder's expectation of defamation may not be based on previous actions by the customer and can be unexpected. Therefore, the definition of trustworthiness used in this research is the willingness of the builder to be vulnerable to the actions of their customers (Mayer, Davis & Schoorman 1995, p. 712). Using this definition, the concepts 'risk of defamation' and 'lack of control' are considered as trust issues because the builder is unwilling to make themselves vulnerable to their customers due to the potential harm of user generated content they post on social media.

The findings from the interviews (summarised in Table 4.6) provided mixed support for the theory that 'perceived trustworthiness' has a positive influence on 'attitude towards use'. Four participants [003, 047, 073 & 158] said that they do not, or could not, trust customers on social media. All four of these respondents gave reasons such as the negative and harmful things customers might say. Three participants [043, 070 & 186] had a positive perception of trustworthiness, yet they did not have a positive attitude towards SCRM use. This relationship contradicts the idea that a builder with a positive perception of trustworthiness would have a positive attitude towards SCRM use. Two builders [003 & 047] that were using social media indicated that they could not trust customers on social media. These findings suggest that 'perception of trustworthiness' does not have a strong influence SCRM use, and that other factors have a more significant influence on the builder's attitude towards SCRM.

Table 4.6 Trustworthiness Results

	003	043	046	047	070	073	092	158	170	186
Perceived Trust	N	Y	Y	N	Y	N	Y	N	Y	Y
Attitude (favourable)	-	-	Y	N	**N**	N	Y	**Y**	Y	**N**
Using Social Media	N	N	Y	Y	Y	N	Y	N	Y	N
Positive Influence	-	**N**	Y	Y	**N**	Y	**Y**	-	N	**N**
Y = Yes. N = No. - Neutral.										

Three participants [046, 092 & 170] indicated that they have a positive perception of trust and a favourable attitude towards SCRM use. These responses align with the proposal by Askool and Nakata (2011) that perceived trustworthiness influences SCRM attitude, however further investigation produces data that does not support this relationship. One of these builders was asked in a follow up question if they thought trust influences their social media use:

Q: Do you think you can trust customers on social media?

Yeah, I can't see why not. Face-to-face, you can hardly trust them at times. Obviously, it is not a money up front sort of thing, but there is no reason you couldn't trust them.

Q: Do you think that [trust] would influence whether you use social media with them?

Nah, I don't think so... because all of it is personal message sort of thing (170).

Therefore, even some of the data that appears to align with the association between 'perceived trustworthiness' and 'SCRM use' may not support this relationship upon

further investigation. There are likely to be other factors that influence SCRM use that also align with this association.

4.8.1 Risk of Defamation

Two participants indicated that they have a negative perception of trust and also have a negative attitude towards SCRM use (Table 4.7). Both participants discussed the risk of harmful and non-genuine comments people might post on social media as factors that influence their attitude toward SCRM use. Defamation is a false and derogatory statement expressed by social media users regarding an individual or organisation (Rojas & Kleiner 2002). As such, these builders are unwilling to make themselves vulnerable to their customers because of the 'risk of defamation' through social media. Consequently, they have a negative perception of trustworthiness, which negatively influences their attitude towards social media. This relationship supports the proposal by Askool and Nakata (2011) that the lack of trust has a negative influence on the attitude towards SCRM use.

Table 4.7 The Influence of Trust on Attitude

	Participant 047	Participant 073
Perceived Trustworthiness	People can say a lot more **harmful** things about you through an obscure way like that, than what they will face to face, won't they.	No, no I don't. I think there is a lot of **non-genuine** people on social media
Attitude Towards Use	Not good. I see a lot more **harm** come out of it.	I don't like the perception that people can sit there in the middle of the night and **bag you out** if they want to and the next day it is everywhere.

Throughout the interview process, the risk of defamation was raised as a serious concern for a number of builders. Even builders that were using social media were concerned by the risk of defamation.

> Because it is just too easy... too easy to say the wrong thing and not be held accountable (003).

Given builders' strong concern about the 'risk of defamation', this factor is considered as an influence on the factor of 'perceived trustworthiness', which in-turn has an influence on SCRM use.

4.8.2 Lack of Control

A lack of control over social media use was also a strong concern for the builders that were interviewed. Some participants were reluctant to use social media because they could not control what happens on social media. As one participant stated:

> ..It is not too hard basket; it is too big on control. That is what it seems to be. There is not enough control (073).

Another builder also singled out the lack of control as the key determining factor in the organisation's decision to use social media:

> At the end of the day, until it can be displayed to me, until it can be controlled, and I don't think it can be at this point, the reason being, at this point in time, it will not happen in this business (186).

Considering the participants' concern about the lack of control over social media, this factor is also considered to have an influence on the factor of 'perceived trustworthiness' and SCRM use.

4.9 Conclusion

This chapter presented the findings from the data analysis, from which several key themes have emerged about SCRM use. The following chapter will discuss the findings presented in this chapter within the context of the research questions set out in Chapter Two.

5 Discussion and Conclusion

This chapter will discuss the findings presented in Chapter Four in relation to the research questions set out in Chapter Three. The practical and theoretical implications of the findings will also be discussed. Opportunities for future research are also identified.

5.1 Discussion of Findings

5.1.1 Research Question One

To what extent are builders using social media for customer relationship management?

As the findings in Chapter Four show, very few of the builders within the sample frame have an online social media presence. The builders who are using social media spend approximately one hour per week, are posting content once to twice per month, and most are only using one social media application. Furthermore, none of the builders that were interviewed are utilising all of the six specific advantages of SCRM, and most are only using two or three advantages. This finding aligns with the research by Jekimovics, Wickham and Danzinger (2013) which found that even Australia's largest firms were not using SCRM effectively.

In exploring the extent of SCRM use, none of the participating building organisations had a specific CRM process for customer-value segmentation. This finding puts building practitioners at odds with the large amount of marketing research that demonstrates the advantages of using a process for value-based customer segmentation (Bayer 2010; Danaee et al. 2013; Loveock & Wirtz 2011; Parvatiyar & Sheth 2001; Zeithaml, Rust & Lemon 2001). This study also found a lack of strategy being used by builders for SCRM. Some builders understand the benefit of a SCRM strategy, but are

experiencing difficulty in developing one. This finding corresponds with the content in the literature review which demonstrated that a lack of strategy is a fundamental issue preventing managers from implementing the idea of SCRM within their organisations (Awasthi & Sangle 2012; Boon, Corbitt & Parker 2002; Harrigan, Ramsey & Ibbotson 2011). As such, builders are not using SCRM for customer-value segmentation, and are not using a strategic approach to SCRM implementation.

5.1.2   Research Question Two
In what ways are builders using social media to manage customer relationships?

While most builders did not have a SCRM strategy, when prompted, the builders that are using social media identified informal goals and objectives. The main goals are to generate interest in the organisation, position the organisation's brand, and increase sales. These goals are considerably different to the SCRM approach, which has the goal to develop and maintain relationships with customers to 'provide mutually beneficial value' (Greenberg 2009, p. 34). This finding is also in contrast to recent research by Harrigan and Miles (2014) which found that SMEs in England are using social media to complement their CRM activities.

In general, builders did not want to use customer-value segmentation. However, one method of customer segmentation was identified which did not align with the academic literature on CLV; which focuses on customer loyalty and retention (Danaee et al. 2013; Egan 2004; Lovelock & Wirtz 2011). Builders could intuitively predict customer value by analysing the customer's social connections with the organisation's existing relationships. If potential customers had social connections with existing customers, they were more likely to be valuable customer. This idea aligns with the research by Misner and Steén (2014) which found that strong ties generate better business referrals

than weak ties. The lack of quantitative assessment to determine customer value corresponds with Gummesson (2004, p. 140) in stating that managers should use their 'gut feeling' and show leadership when relationship metrics (such as CLV) are hard to determine.

In exploring how builders use social media, it was found that builders are having difficulty extending weak-ties by connecting with new customers through using social media. The builders that were interviewed identified a lack of knowledge as an issue in effectively using SCRM to initiate contact with potential customers. Although SCRM may theoretically allow practitioners to extend weak ties to increase opportunity and access to resources (Borgatti 2014; Conley 2013), most of the builders interviewed have not yet managed do so.

Builders also had difficulty sustaining strong ties through the use of social media. The builders were also reluctant to use SCRM as a tool for moving away from legal-centric relationships and establishing stronger ties with their customers. Some builders suggested that sustaining strong ties with previous customers may be counter-productive to the organisation due to ongoing building maintenance queries. Given the findings to research question one, a lack of time may also be contributing to the difficulty establishing strong ties. As set out in Chapter Three, Granovetter (1973, p. 1361) lists the components of determining a strong relationship as the amount of time, the emotional intensity, the intimacy, and reciprocity. It is evident that builders are reluctant to allocate sufficient time and resources needed to sustain strong ties through SCRM.

5.1.3 Research Question Three
What influences the extent to which builders use social media?

The findings presented in Chapter Four show that some of the builders using social media have a reduced perception of its usefulness, compared to the builders not using social media. This finding contradicts the TAM, which asserts that perceived usefulness positively influences SCRM use (Davis, Bagozzi & Warshaw 1989). A possible explanation for this is that builders who are using social media are more aware of the difficulties in using SCRM for managing complex builder-client relationships. This is highlighted by the finding that 'perceived ease of use' means different things for different people.

Most of the builders interviewed had concerns about the usefulness of social media for managing customer relationships. There is little academic research into builder-client relationships, so these results are difficult to compare with previous studies. However, as noted in Chapter One, these relationships are unique because of the extended length of the relationship throughout the build, the size and emotional intensity of the purchase, and the 'habitus shock' experienced by the customers. These factors were supported by the findings. This study also found that low turn-over of clientele, the tender process, and the complications of service recovery were additional factors that influenced the complexity of the builder-client relationship. The concern for the complexity of builder-customer relationships supports the work of Siva and London (2009) detailing the widening gap between architects and customers. This research suggests that similar social phenomena exist between builders and their customers, and this influences SCRM use.

The interview data provided mixed support for the idea that perceived trustworthiness influences SCMR use. The SCRM usage and acceptance model by Askool and Nakata (2011) proposes that builders with a positive perception of trustworthiness will be more likely use to SCRM. However, the findings show that a number of builders do not trust

customers on social media, yet are still willing to use social media. Also, some builders have a positive perception of trustworthiness, yet they were not using social media. This somewhat contradicts the relationship proposed in the 'SCRM usage and acceptance' model and suggest that other factors have a stronger influence on SCRM use. Perceived trustworthiness was re-defined from the concept presented by Askool and Nakata (2011) to clearly include the 'risk of defamation' and 'lack of control' as set out by Mayer, Davis and Schoorman (1995). All of the participants that indicated they could not trust customers on social media gave the reason that it was because of the negative and harmful things they could say. Therefore, there is some empirical support within this study for 'perceived trustworthiness' as an important factor for builders who are not using SCRM.

5.2 Implications of the Findings

As set out in Chapter One, the academic literature calls for more research to investigate the challenges of organisations effectively using SCRM. To the researcher's knowledge, there has not been another study that has explored SCRM in the building and construction industry. It is considered then, that this research has important implications for both theory and practice.

5.2.1 Theoretical Implications

This research adds to the existing theory in three main ways. First, the exploration of the factors that influence SCRM use has built on current theoretical knowledge by providing insight into how these factors work within the building and construction industry. The factor of 'perceived trustworthiness', as proposed by Askool and Nakata (2011), was found to have some influence on SCRM use. The concepts of 'risk of defamation' and 'lack of control' were also identified as factors that influence SCRM use. This means that these factors should be added to the conceptual model for

understanding SCRM of use and tested in further research. Second, the study has revealed the inadequacy of using current customer-value segmentation theory based on customer loyalty, such as CLV, for building organisations. This means that current theories on customer-value segmentation need to be further developed, beyond customer loyalty, to capture the true value of complex customer relationships. Third, there are very few studies which have focused on the builder-client relationship from a business management perspective. This this research provides a base from which to develop theory on this topic further.

5.2.2 Practical Implications

There are several implications for practitioners. First, this research suggests that very few builders are effectively using SCRM. This can inform the strategic outlook of building organisations to capitalise on the early adopter benefits of effective SCRM use. Second, when using social media, builders can consider two main issues: a lack of SCRM strategy, and the lack of customer-value segmentation. By developing a strategy to define objectives, and allocating resources to achieving those objectives, builders are more likely to successfully implement SCRM. Also, by using SCRM to segment customers by value, builders can improve the ROI on social media strategies. Third, rather than looking at social media as a way to drive sales, builders may consider embracing SCRM to connect with new customers and establish meaning relationships with existing customers. Improved relationships will improve organisational performance (Berry 2002; Gronroos 1994).

5.3 Limitations

The findings of this research should be assessed in relation to the limitations of the research method. While qualitative data provides an in-depth understanding of new research topics, the findings presented here are not able to be generalised to a wider

population. Due to resource and time limitations on an Honours project, this study only examined customer relationships from the builders' perspective. A more balanced understanding of SCRM use would include research from the customer's perspective. Moreover, the TAM was developed to explore individual use of technology, while this research looked at business use and acceptance of SCRM.

5.4 Further Research

Further research is required to understand how to manage the builder-client relationship using SCRM from the customer's perspective. Future studies could test and examine in more depth how the factors of 'risk of defamation', 'lack of control', and 'perceived trustworthiness' impact SCRM use. The findings presented here also reveal that more research is required to understand how to calculate customer value using SCRM, as methods based on customer loyalty are not suitable for the complex builder-client relationships. Further research could consider the number of mutual relationship ties, and the level of trust, and customer satisfaction. The interviews also revealed that builders want to know how they can use social media to extend weak ties and connect with new customers. Builders will also benefit from further research focusing on how they can use SCRM to manage customer expectations before the build, customer perceptions of the product during the build, and maintain valuable relationships after the build.

5.5 Summary and Conclusions

The aim of this research was to explore the use of social media to manage customer relationships within the building and construction industry. A qualitative method was adopted and semi-structured interviews with accredited building practitioners were used for data collection. Analysis of this data revealed several major themes about customer-value segmentation, SCRM strategy, a sense of community, technology adoption, and

perceived trustworthiness. Overall, the findings presented in Chapter Four show that builders are using SCRM, but to a limited extent. Builders are reluctant to segment their customers by value; they are having difficulty using SCRM to connect with new customers; and they are reluctant to use SCRM to move away from legal-centric relationships towards closer interpersonal relationships. The lack of perceived trustworthiness, the perceived risk of defamation, and the lack of control over social media content were found to influence builders' use of social media. Builders can improve social media use by developing a SCRM strategy and using customer-value segmentation. As this study has highlighted, social media has potential to be an effective customer relationship management tool, yet the idea of SCRM is still developing within the building and construction industry.

[Word Count 14,864]

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Appendix A: List of Post Codes

The following postcodes were used to assist the researcher to filter the list of all

Accredited Builders into a more manageable dataset of potential interview participants.

Location
BLACKSTONE HEIGHTS TAS 7250
CRESSY TAS 7302
EAST LAUNCESTON TAS 7250
HADSPEN TAS 7290
INVERMAY TAS 7248
KINGS MEADOWS TAS 7249
LAUNCESTON TAS 7250
LEGANA TAS 7277
NEWNHAM TAS 7248
NEWSTEAD TAS 7250
PROSPECT TAS 7250
PUNCHBOWL TAS 7249
RIVERSIDE TAS 7250
SOUTH LAUNCESTON TAS 7249
ST LEONARDS TAS 7250

Appendix B: Letter of Invitation

Introductory Phone Call / Email

Dear [name],

My name is Kevin Swarts and I am an Honours candidate with the Tasmanian School of Business and Economics at the University of Tasmania.

My honours research is an exploratory study of social media as a Customer Relationship Management (CRM) tool within the context of the building and construction industry.

The aim of this research is to provide insight into the use of social media within a CRM framework. It is envisaged that this research will help builders develop better relationships with their clients through the use of social media, as well as make a contribution to academic research in the field of Social CRM.

I understand that you are an Accredited Builder working in Tasmania. I would be very interested in talking to you or someone from your organisation about your experiences with social media, and/or managing customer relationships.

Would it possible for us to arrange a time when I could come and see you for an informal interview? The interview should take no longer than 45 minutes, and I am happy to work around your commitments so we can agree on a time that is most convenient to you. If you feel that you are not the appropriate person, I would appreciate you letting me know who I should contact instead.

The information you provide will remain strictly confidential and neither you, nor your business will be identifiable in any publications related to the study.

To assist you in making a decision, I have attached an Information Sheet, which outlines more specific details about my research and my contact details should you have any questions.

Thank you very much for your time. I will contact you again shortly to ascertain your decision.

Yours sincerely,

Kevin Swarts
0447 988 913

Appendix C: Information Sheet

UNIVERSITY *of*
TASMANIA

**TASMANIAN SCHOOL OF
BUSINESS AND ECONOMICS**

*Social media as a customer relationship management tool
within the building and construction industry*

For Interview Participants
Invitation
You are invited to participate in a research study on social media within the building and construction industry.
This research is being conducted by Kevin Swarts, who is an Honours candidate at the University of Tasmania. This research is for the partial fulfilment of an Honours degree in Business Management. This research is supervised by Dr Kim Lehman who is a Lecturer in Marketing at the Tasmanian School of Business and Economics, University of Tasmania.

What is the purpose of this study?
Social media is changing the way we do business. More and more people are using social media sites, such as Facebook and Twitter, and this provide builders with new ways with which they can communicate with potential and existing clients. This research aims to find out how builders can use social media to build valuable relationships with their clients.

Why have I been invited to participate?
You have been invited to participate in this research because you are an Accredited Builder operating in Tasmania. You have been acknowledged as an accredited builder from the Building Practitioner Search on the Department of Justice website. Your contact details have been collected by searching for your organisation on the internet.
Your participation in this research is voluntary. You can choose not to participate, and there are no consequences if you decide not to participate. Not participating will not affect your relationship with the University.

What will I be asked to do?
If you agree to be a part of this research, you will be asked to participate in an informal interview. The interview will go for about 45 minutes and include questions about social media use and customer relationships. The interview can be carried out at your office, or somewhere else suitable, such as at the University.
The interview will be recorded using a portable audio recorder and written out later into a text document. This is so the information can be analysed using a computer software program. The data collected in the interview will be analysed with the other interview data to look for patterns and key themes developing from all of the interviews. All the responses to the interview questions will be de-identified before analysis.
There may be the possibility of a 15 minute, follow-up telephone interview, which will also be audio recorded and transcribed and used to clarify and confirm any themes arising from the initial interview. This follow-up call is also voluntary.

Are there any possible benefits from participation in this study?
The potential benefits of this study arise from producing reliable knowledge on how builders can use social media to increase sales and manage customer relationships. This knowledge can assist managers in making decisions about future social media use. There are also potential benefits to other organisations outside the building industry by learning more about the developing field of Social Customer Relationship Management (SCRM).

Are there any possible risks from participation in this study?
There are no foreseeable risks with this study.

What if I change my mind during or after the study?
Your involvement in this study is voluntary, and while we are pleased to have you participate, we respect your right to decline. There will be no consequences to you if you decide not to participate. If you decide to discontinue participation at any time, you may do so without providing an explanation. If you withdraw after the research after it has been published, it will be impossible to remove the data from the study; however the data will not be re-identifiable to individual participants.

What will happen to the information when this study is over?
The raw data will be treated confidentially and securely kept for five years from publication at the University of Tasmania in a locked cabinet. The data will be accessible by members of the research team. After the five year period, the data will be security shredded.

How will the results of the study be published?
The research will be published as an Honours dissertation. This will be accessible from the University of Tasmania Library. The research may be published in an academic journal. Your name will not be used in any publication arising out of this research.

What if I have questions about this study?
If you would like to discuss and aspect of this study, please feel free to contact Kevin Swarts by email Kevin.Swarts@utas.edu.au or Dr Kim Lehman on (03) 6324 3001.

"This study has been approved by the Tasmanian Social Sciences Human Research Ethics Committee. If you have concerns or complaints about the conduct of this study, please contact the Executive Officer of the HREC (Tasmania) Network on +61 3 6226 6254 or email human.ethics@utas.edu.au. The Executive Officer is the person nominated to receive complaints from research participants. Please quote ethics reference number H0014267."

This Information Sheet is for you to keep. A consent form will be provided to you at the beginning of the interview. Thank you.

Appendix D: Interview Schedule

Interview Schedule

Explain the purpose of the interview and confirm how long the interview might take
Address terms of confidentiality and explain the format of the interview
Ask permission for recording the interview and provide contact information

Part A - Demographics

Builder's name, Building company, Main type of work, Annual turnover

Part B – Extent of SM use for CRM
Key Concepts
Relationship Marketing
Strategy/ IT
SCRM failure rate
Use of SCRM 6 specific advantages
Frequency of posting

1.1   I see that you have [do not have] a website:

1.1.1   How long have you had your website? What is the website mainly used for?

1.1.2   If not, what is the main reason you do not have a website?

Social media includes applications like: Facebook, Twitter, LinkedIn, Pintrest, Google +,
YouTube, Tumblr, Istagram, Second life, Wikipedia.

1.2   Do you use social media for your business?

If YES:

1.2.1   What social media applications do you use?

1.2.2   How much time would you spend on social media?

1.2.3   How many post or status updates do you make?

1.2.4   Do you have a social media strategy?

If NO:

1.2.5   Have you tried using social media in the past?

1.3   Do you currently keep a record of your clients' details? How?

1.4   Do you have a process to determine which customers are more valuable to your
        business?

1.5   Social Media Specific Advantages: [If Yes]

1.5.1   Do you use SM to start discussions with potential customers?

1.5.2   Do you use SM for sharing knowledge, learning new things, and trying to building consensus?

1.5.3   Do you use SM to interact and exchange information quickly with your customers?

1.5.4   Do you use SM to identify and interact with your most profitable or valuable customers?

1.5.5   Do you use SM to make your organisation more transparent?

1.5.6   Do you use SM to try and form an attachment between your brand and your customers?

Part C –In what ways do builders use SM for CRM
Key Concepts
SCRM Strategy
Sense of Community: Information seeking, hedonic behaviour, strong ties, weak ties
Relationships: Strengthen ties, Increase weak ties

2.1   Do you have specific goals/objectives when posting content?

2.2   What type of content do you post on social media?

2.3   Do you use social media to connect with friends or customers you already know?

2.4   Do you use social media to connect with new customers?

2.5   How do you determine which social media users are genuine customers?

Part D – What influences SM use
Key Concepts
TAM: perceived usefulness, perceived ease of use, attitude, intention
Web 2.0 features
Perceived trustworthiness
Barriers

3.1   What is your attitude to social media use?

3.2   How easy do you think social media is to use?

3.3   How useful do you think social media is [could be] for your business?

3.4   Do you intent to keep [start] using social media for your business? Y/N

3.5   Do you think you can trust customers on social media?

Is there anything else you would like to say about social media and customer relationship management?

Appendix E: Interview Consent Form

***Social media as a customer relationship management tool within the building and
constructing industry***

Dear Participant,

As part of your consent to be interviewed, we ask that you read the information below and sign
where specified.

1. I have read and understood the 'Information Sheet' for this study.
2. The nature and possible effects of the study have been explained to me.
3. I understand that the study will involve the following:
    a. An initial face-to-face interview of approximately 45 minutes duration, which
        will be audio recorded and transcribed. The focus of this interview will be my
        knowledge, perception and opinions of the marketing and business activities
        my business pursues.
    b. The possibility of a 15 minute, follow-up telephone interview, which will also
        be audio recorded and transcribed and used to clarify and confirm any themes
        arising from the initial interview.
4. I understand that all research data will be stored on the University of Tasmania
    premises for at least five years, during which access will only be granted to members of
    the research team. Five years following publication of the data, all data will be
    destroyed.
5. I understand that I reserve the right to decline to answer any question.
6. I agree that the research data gathered from me for the purposes of the study may be
    published, provided that I, or my business, cannot be identified as a participant.
7. I understand that the researchers will maintain my confidentiality and that any
    information or material I supply will only be used for the purposes of this research.
8. Any questions that I have asked have been answered to my satisfaction.
9. I agree to participate in this study, and understand that I may withdraw at any time
    without any effect, and if I so wish may request that any data I have supplied to date be
    withdrawn from the research.

Name of participant...

Signature of participant...Date.....................................

Statement by investigator
I have explained the project and the implications of participation in it to this volunteer and I
believe that the consent is informed and that he/she understands the implications of
participation.

The participant has received the 'Information Sheet' for this study, where my details have been
provided so participants have the opportunity to contact me prior to consenting to participate in
this study.

Name of investigator...

Signature of investigator...Date.....................................

Appendix F: Node Rules

R1. To what extent are builders using social media for CRM	This should be used if they are or are not using this node.
2. Do you use social media	
2.1 Social media applications	Data coded to this node should prove the use of social media applications. Facebook, Twitter, LinkedIn, etc.
2.2 Time spent on social media	Data coded to this node should provide evidence for the amount of time spent on social media applications.
2.3 Number of posts	Data regarding the frequency of posting on social media.
2.4 Strategy and IT	Do the builders have a SCRM strategy? Or do they have an IT view of social media? Data coded to this node should prove (or disprove) the existence of SCRM strategy.
2.5 SCRM failure rate	Data coded to this node should provide information regarding failed use (or failing) of social media or CRM programmes.
3. CRM	
3.1 Keep client records for CRM	Data coded to this node should provide details about the client records kept for managing customer relationships.
3.2 Customer Lifetime Value - Customer Pyramid	Data coded to this node should provide evidence that the builder is calculating the value of their clients. This is not is not for HOW they do it, but THAT they do it.
4. Use of SCRM 6 specific advantages	
1. Interaction - start discussions with potential customers	Data coded to this node should provide evidence of builders using interaction e.g. start discussions with potential customers
2. Collaboration - sharing knowledge, learning new things, and trying to building consensus	Data coded to this node should provide evidence of builders using collaboration e.g. sharing knowledge, learning new things, and trying to building consensus
3. Real-time Communication - interact and exchange information quickly with your customers	Data coded to this node should provide evidence of builders using real-time communication e.g interact and exchange information quickly with your customers
4. Customer Targeting - identify and interact with your most profitable or valuable customers	Data coded to this node should provide evidence of builders using customer targeting e.g. identify and interact with your most profitable or valuable customers
5. Transparency - make your organisation more transparent	Data coded to this node should provide evidence of builders using transparency e.g. making the organisation more transparent
6. Brand Engagement - try and form an attachment between your brand and your customers	Data coded to this node should provide evidence of builders using brand engagement e.g. try and form an attachment between your brand and your customers
5. Individual participation	Data coded to this node should be about whether participants

are using social media (and CRM) as individuals

R2. In what ways are builders using social media to manage customer relationships	
1. SCRM Strategy (goals & objectives)	The node is to provide evidence about HOW builders develop strategy for social media or CRM.
3. Sense of Community (behaviour)	Sense of community is about what builders and customers have in common. For example, a common interest, a common location, a common need for information, or a sense of belonging, emotional connection. Data coded to these child nodes should be about behaviours of builders and customers. The child nodes align with Scheepers et al (2014) community.
3.1 Sustain strong ties (existing customers)	Data coded to this node should provide evidence of HOW builders use social media to manage strong relationships with clients.
3.2 Extend weak ties (new customers)	Data coded to this node should provide evidence of HOW builders use social media to interact with a wide range of people they do not know that well. This node can be used for data explain how builders get new clients.
3.3 Information seeking behaviour	Data coded to this node should provide evidence for HOW builders seek information through social media. Information seeking behaviour includes accessing information via social media (Scheepers et al 2014).
3.4 Hedonic behaviour (fun activities)	Data coded to this node should provide evidence of HOW builders use social media for fun and entertainment. Are there some fun activities related to the organisation?
4. Customer Segmentation (demarcate genuine customers)	Data coded to this node should provide evidence of HOW builders segment or demarcate genuine customers.
5. Brand Awareness	Evidence of using SM to increase brand awareness. Includes brand positioning etc.
7. Experiment or Trying new things	Evidence of participants experimenting and trying new things on social media
8. Management of Social Media	Who manages the SM accounts? Who is responsible for creating content? How does the builder control SM use?
9. Builder Directory Search Sites	For data about using search website such as High Pages, Rank-A-Tradie etc.
Content	A node for coding the user generated content on SM
R3. What influences the extent to which builders use social media	
1. Technology Acceptance Model	
1.1 Attitude Towards Social Media	Data coded to this node should provide evidence of a user's attitude towards using social media.

1.2 Perceived ease of use (free of effort)	The degree of a person's belief that using SCRM would be free of physical and mental effort (Davis 1989)
1.3 Perceived usefulness (improve performance)	The degree of an individual's belief that SCRM will help to improve performance(Davis 1989)
1.4 Adoption Intention	Data coded to this node should provide evidence of a user's adoption intention towards social media. Are they intending to use SM?
2. Perceived trustworthiness	Data about participants' trust. Trust is 'the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor (Mayer, Davis & Schoorman 1995, p. 712).
6. Sense of Community (influence)	
Extend Weak Ties (new customers)	Data coded to this node should provide evidence of WHY builders use (or not use) social media to interact with a wide range of people they do not know that well.
Hedonic Behaviour	Data coded to this node should provide evidence of WHY builders use social media for fun and entertainment. Why are builders using SM for fun?
Information Seeking Behaviour	Data coded to this node should provide evidence for WHY builders seek information through social media. Why do builders specifically use SM to get the information?
Sustain Strong Ties (existing customers)	Data coded to this node should provide evidence of WHY builders use (or not use) social media to manage strong relationships with clients.
7. Barriers to SM use	Barriers to SM use include any issues that negatively influence the participant's use of social media.
1. Difficulties in establishing meaningful relationships	Data coded to this node should provide evidence regarding the difficulties participants have in establishing meaningful relationships through social media.
2. Demarcate Clients	Data coded to this node should provide evidence regarding the influence of distinguishing genuine customers from other SM users
3. Measurement of ROI in SCRM	Data coded to this node should provide evidence regarding the influence of measuring the return of investment for social media and CRM.
Annoy people	For data about participants not wanting to use SM because it annoys people or themselves.
Lack of Control	For data about participants not wanting to use SM because of the lack of control
Lack of Knowledge or Understanding	For data about participants not wanting to use SM because of the lack of knowledge or understanding of how to use SM.

Legal concerns	For data about participants not wanting to use SM because of legal concerns
Privacy concerns	For data about participants not wanting to use SM because of privacy concerns
Risk of Defamation or Bag-out	For data about participants not wanting to use SM because of the risk of defamation or users bagging them out
8. Drivers of SM use	
Get to know SM	For data about participants using social media to get to know more about SM.
Other businesses use of social media	For data about participants using social media because other business are using it.
The way of the future or Left behind	For data about participants using social media because it is the way of the future