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IMPROVING MARKETING FUNCTIONS THROUGH SOCIAL MEDIA PRESENCE AMONG CONSTRUCTION SMEs

ADEDEJI AFOLABI¹, RAPHEAL OJELABI¹, PATIENCE TUNJI OLAYENI¹, IGNATIUS
OMUH¹, and OPEYEMI OYEYIPO²

¹*Building Technology, Covenant University, Ota, Nigeria*

²*Quantity Surveying, Covenant University, Ota, Nigeria*

With over 3.5 billion people connected to the internet, small and medium-scale (SME) construction businesses have the opportunity to enhance their customer base. The study assessed ways by which marketing functions of SME construction businesses can be improved through social media presence of the firms. The study used a quota-purposive sampling of construction businesses in Nigeria's mega city, Lagos State. The small and medium scale construction businesses comprised of consulting and contracting firms. Using a questionnaire instrument, the social media arm of the marketing unit of SME construction businesses was measured. Presentation of the data was carried out using pie charts and principal component analysis. The study identified two main critical success factors (CSFs) – Firm/Social Media characteristics and Security/Investment factor enabling the Social Media infrastructure for SME construction businesses. A focus on these entities would ensure the successful integration of social media marketing strategies in the traditional marketing functions of construction SMEs. The survival of SME construction business is hinged on the availability of customers which social media exposure helps attract and interact with potential customers. SME Construction businesses of the 21st century must align with the 'global village' trend of incorporating social media applications in their traditional marketing functions.

Keywords: Construction industry, Critical success factors, Customers, Facebook, Performance, Nigeria.

1 INTRODUCTION

The performance of small and medium scale enterprises (SMEs) is appreciated in their ability to create employment and wealth for the nation (Sandberg *et al.* 2002). Osotimehin *et al.* (2012) noted that SMEs engage the use of mainly local raw materials while employing local labor from the urban and rural centers thereby balancing the wealth even to the rural parts. Despite the increased budgetary allocations and loan acquisition schemes available locally, financial and technical aid internationally, Osotimehin *et al.* (2012) reported that SMEs have not been able to accelerate employment and poverty alleviation in order to foster the Nigerian economic development. Apart from the financial concerns, which a large number of SMEs find it difficult to access due to stringent measures and conditions pegged by financial houses (Chukwuemeka 2009). Osotimehin *et al.* (2012) asserted that SMEs are faced with other constraints in management, technology, competition, the price of available local raw materials, infrastructural

facilities and multiplicity of policies resulting in double taxation and so on. The distinct nature of SMEs makes them easy prey to unpalatable business environment that larger firms may easily manoeuvre. Coad (2007) opined that the growth of SMEs can be somewhat unpredictable. However, this has not deterred the high frequency of new firms been formed daily but with low survival ratings over a few years (Asma *et al.* 2015). To buttress this, Bartelsman *et al.* (2005) revealed that 20-40 percent of new firms fail within two years post-entry, while only about 40-50 percent survive beyond the seventh year. This can be attributed to the numerous hurdles each new firm has to face over time.

One of the ways SMEs can survive in the harsh terrain of doing business is by increasing its share of marketing functions. This can be improved by using several innovative tools and techniques order than the traditional methods of marketing. The construction industry has been mostly traditional in its operation, although, it is fast changing and embracing new innovative information and communication technologies (ICTs) (Afolabi and Oyeyipo 2017, Ojelabi *et al.* 2018a). An innovative marketing function available to construction SMEs is the use of social media platforms. In today's world, every organization must as a necessity exist in an online platform. This is because, online platforms such as the use of websites, social media platforms and other internet-based systems that link customers to products have changed the way businesses should be run. The global impact of web-based systems cannot be over-emphasized for the far-reaching benefits they engender on businesses (Ibem and Laryea 2015, Afolabi *et al.* 2017a). Companies need customers to grow and survive in an economic environment, while a large percentage of these customers' time is increasingly being spent on social media platforms. Therefore, getting consumers to purchase the company's products is hinged on meeting customers in the market place of online media. With more than 3.5 billion people users of one form of social media app, the likelihood of attracting a user to a product is fairly high (Iblasi *et al.* 2016). Lee *et al.* (2014) noted that other firms aside construction SMEs are judiciously increasing their marketing budgets to include advertising on social networking sites such as in developed countries where spending on social media marketing has increased from 8.4% to about 22% within the last five years. A social media presence is able to showcase construction SMEs' strength, past and ongoing projects, which can go a long way in assuring clients of their prowess. Therefore, the study assessing dimensions to which marketing functions of construction SMEs can be improved through social media presence. In order to achieve this, the study showed the critical success factors (CSF) enabling the social media infrastructure for SME construction businesses.

2 RESEARCH METHOD

This study is based on related works that have measured the use of social media platforms in the construction section. The study by Ojelabi *et al.* (2018b) measured the management of the social relationship that exists between clients and construction companies using social media platforms. While this study focused on the marketing functions – the enablers and limiting factors, which are referred to as the critical success factors (CSFs). The study area is centered in the Southwestern part of Nigeria in Lagos State. The state has a high number of registered and unregistered construction SMEs within the study location involved in contracting and consulting services. A survey research design was used in carrying out the study, which entailed the design of a questionnaire instrument. Due to the lack of a comprehensive list, the sample size was selected using a quota-purposive sampling technique. A total of seventy-nine (79) construction SMEs participated in the social media study. This represented a 63% response rate and is deemed adequate for the study. The study used a 5-point Likert scale in measuring the critical success

factors (CSF) enabling the social media infrastructure for SME construction businesses. The data collected was presented using pie charts and factor analysis.

3 RESULTS AND DISCUSSION

This section contains the result and discussion on the critical success factors (CSF) enabling the social media infrastructure for SME construction businesses. Firstly, the SME construction information was described to understand the characteristics of the participants. Section two (2) contains an analysis of the critical success factors (CSF) enabling the social media infrastructure for SME construction businesses.

3.1 Characteristics of the Construction SMEs

The study showed the company details of construction SMEs that participated in the survey. Figures 1 and 2 showed the pie-chart breakdown of the organization type and the years of existence of the companies in the Nigerian business sector. The pie-chart in Figure 1 showed the organization type, which indicated that 46 (58.2%) of the construction SMEs were into contracting, 29 (36.7%) of them were mainly into consulting works on construction projects, and 4 (5.1%) were into other types of jobs within the construction sector. In Figure 2, the years of the company's existence in the construction sector showed the 14 (17.7%) of the construction SMEs have been in operation for 1 to 5 years, 34 (43%) have been in the construction sector for 6 to 10 years, 10 (12.7) of the construction SMEs have been in operation for 11 to 15 years, 8 (10.1%) of them had 16 to 20 years' experience in the construction industry and 13 (16.5%) of the construction SMEs had above 20 years of expertise in the construction sector.



Figure 1. Organization type.

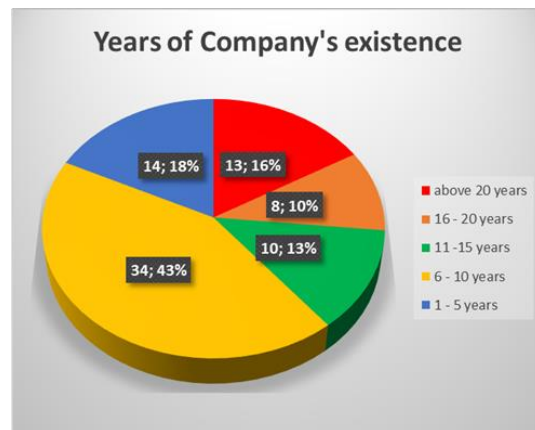


Figure 2. Years of Company's existence.

3.2 Critical Success Factors (CSF) Enabling the Social Media Infrastructure

In order to classify the critical success factors (CSFs) enabling the social media infrastructure by SME construction businesses a factor analysis test was carried out. The thirteen (13) CSFs tested in this study were adapted for the study by Preece *et al.* (2014) and Ojelabi *et al.* (2018a). These CSFs focused on the use of the information and communication technologies (ICTs), the process involved and the human involvement in the process and acquisition. The factor analysis is a statistical technique to explore relationships among variables of the CSFs. By this, it would

reduce or summarize the data of the variables into groups. Principle factor extraction analysis (PCA) with Varimax rotation was performed using SPSS 21.

The eigenvalues associated with each linear component after rotation was generated with the CPA indicating 10 components. In this light, a scree plot as shown in Figure 3 was resorted to and this showed a clear break and point of inflection at the second factor. Therefore, only two (2) components are significant for exploring the critical success factors (CSFs) enabling the social media infrastructure by SME construction businesses.

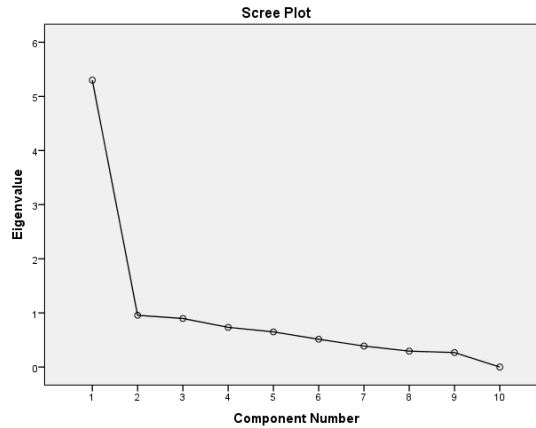


Figure 3. Scree plot of the Critical success factors (CSFs) enabling the social media infrastructure.

There are two (2) factors shown from the scree plot which accounted for 63% (factor 1 = 53%; factor 2 = 10%) of the total variance from the variables tested. Table 1 showed the extracted rotation component matrix of the factor loading for Critical success factors (CSFs) enabling the social media infrastructure.

Table 1. Factor loading for Critical success factors (CSFs) enabling the social media infrastructure (Rotated Component Matrix).

Critical Success Factors		Component	
		1	2
Firm/ Social media Characteristics	Management’s Commitment	.819	.348
	Capacity of firm	.819	.384
	Optimism about social media marketing strategy	.795	.209
	Social media capacity as a business tool	.653	.256
	Ease of navigating social media platforms	.644	.199
	Understanding of social media metrics	.609	.516
Security/ Investment Factor	Secured company/clients’ information	.176	.816
	Investment in social media infrastructure	.255	.762
	Control over social media use	.421	.694
	Competitors’ influence	.271	.582

Extraction Method: PCA.

Rotation Method: Varimax with Kaiser Normalization.

From Table 1, there are two main factors that reflect in the loading and have factor loadings above 0.50. The result revealed two main categories of factors, which are “Firm/Social Media Characteristics” and “Security/Investment Factor”. In the first factor, which is “Firm/Social Media Characteristics”, there is a need for critical success factor of management commitment and optimism about social media marketing strategy. For SME construction businesses, social media platforms should be marketed as a business tool and therefore the required investment and infrastructure should be put in place. Another CSF is “Capacity of Firm” which can be viewed from the size of the firm. Large construction companies adequately use social media platforms and are visible to different clients. This means that SME construction businesses can tap from the available clients on social media platforms and also showcase their strength and business profile through pictures of their head offices, construction equipment, qualified personnel, past and ongoing construction projects. It is essential that social media app developers and actors should try and ensure that their platforms are easy to navigate by construction SMEs. Furthermore, metrics of how the profiles of each construction SMEs can be provided on potential clients and those that have visited the profiles including the construction products they are most interested in, can be provided such as in the study by Afolabi *et al.* (2017b). The second CSF classified as “Security/Investment Factor” highlighted that for a social media marketing strategy to be successful there is a need to generate confidence in the information stored and communicated through the platform. Construction businesses need some level of control over their project and client information so as to avoid undue influence from other competitors. “Competitors’ influence” would also enable social media marketing functions of construction SMEs. The world has changed, and no business should want to be left behind due to the prospects and benefits social media marketing strategy has to offer every sector of the economy.

4 CONCLUSIONS AND RECOMMENDATION

The study assessed ways by which marketing functions of SME construction businesses can be improved through social media presence of the firms. Essentially, there are some critical success factors (CSFs) that enable the social media infrastructure for SME construction businesses. The study identified two main CSFs: “Firm/Social Media characteristics” and “Security/Investment factor”. A breakdown of the factors showed that Firm/Social Media characteristics comprised of “Management’s Commitment”, “Capacity of Firm”, “Optimism About Social Media Marketing Strategy, Social Media Capacity as a Business Tool”, “Ease of Navigating Social Media Platforms” and “Understanding of Social Media Metrics”, while “Security/Investment Factor” comprised of “Secured Company/Clients’ Information”, “Investment in Social Media Infrastructure”, “Control Over Social Media Use” and “Competitors’ Influence”. These entities would ensure the successful integration of social media marketing strategies in the traditional marketing functions of construction SMEs. The survival of SME construction business is hinged on the availability of customers which social media exposure helps attract and interact with potential customers. SME Construction businesses of the 21st century must align with the “global village” trend of incorporating social media applications in their traditional marketing functions. It is recommended that on the part of construction SMEs, there is a need for increased commitment, optimism and investment towards social media infrastructure as a business tool. On the part of social media developers/actors, there is also a need to increase the security of information and provision of social media business metrics so as to measure the performance of the tool by construction SMEs.

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