

Building Customer Relationship Management in a Small Business through Social Media Marketing

Case Company: Parturimo Herman

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<p>Tämän opinnäytetyön tavoitteena on tutkia ja analysoida tapausyritys Parturimo Hermanin sosiaalisen median lähestymistä asiakassuhteiden hallintaa varten ja ehdottaa kehittämismahdollisuuksia. Tutkimuskysymykset ovat hierarkkisessa järjestyksessä: Ensimmäinen tutkimuskysymys: Kuinka tapausyrityksen asiakassuhteiden hallintaa voi kehittää sosiaalisen median kautta? Toinen tutkimuskysymys: Mikä on tapausyrityksen sisäinen perspektiivi sosiaalisen median käytöstä työkaluna markkinoinnissa? Kolmas tutkimuskysymys: Kuinka perehtyneitä tapausyrityksen henkilökunta on Facebook alustaan sen käytössä asiakassuhteiden hallintaan?</p> <p>Opinnäytetyön teoreettinen viitekehys perustuu asiakassuhteiden hallinnan, sosiaalisen median ja Facebookin teorioihin. Asiakassuhteiden hallinta keskittyy elektroniseen asiakassuhteiden hallintaan koska tapausyritys hyödyntää sosiaalisen median Facebook alustaa. Tapausyrityksellä on kiinnostusta oppia kuinka sosiaalista mediaa voidaan kehittää tehokkaammaksi ja sitoa yrityksen kehityssuunnitelmiin.</p> <p>Opinnäytetyön metodologiana käytetään puoli-strukturoituja teema haastatteluita, havainnointia ja dokumentteja. Tapausyrityksen toimintaa, lähestymistä ja asenteita analysoitiin elektronisen asiakassuhteiden hallintaa silmällä pitäen. Aihetta on laajalti tutkittu suurten yritysten kulmasta, mutta tässä työssä keskitytään pienyrityksen näkökulmaan paikallisella markkinoilla.</p> <p>Johtopäätöksenä tapausyritystä kehoitetaan muuttamaan nykyistä Facebook lähestymistä sitomaan asiakaslähtöinen lähestyminen keskiöön. Muutoksen pitäisi mahdollistaa tapausyritykselle tehokkaampi ja laajempi kantavuus heidän sosiaalisen median sisällölleen.</p> <p>Osa kappaleesta 4 Löydökset ja Analyysi sekä kappaleesta 5 Johtopäätökset ei julkaista täydessä mitassaan kirjasto-versiossa, koska osa informaatiosta on määritelty luottamukselliseksi. Liitteitä ei myöskään julkaista koska ne sisältävät luottamuksellista tietoa.</p> <p>Asiasanat: Asiakassuhteiden hallinta, Sosiaalinen media, Facebook, Tapaustutkimus, Parturimo Herman, Pienyritys 6</p>	

ABSTRACT

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<p>The objective of this research work is to analyze the case company Parturimo Herman's Social Media approach for the purposes of Customer Relationship Management, suggest improvements. The research questions are made in hierarchical order and are: First Research Question: How can the case company's customer relationship management be improved through use of Social Media? Second Research Question: What is the internal perspective in the case company to the use of Social Media as a tool for marketing? Third Research Question: How familiar are the staff members of the case company with the Facebook platform for CRM?</p> <p>The theoretical framework of the thesis is based on theories on Customer Relationship Management, Social Media and Facebook. The Customer Relationship Management focuses on electronic Customer Relationship Management as the tools used by the case company are Social Media, Facebook platform. The case company has interest to learn how the efforts in their Social Media could be further developed to be more efficient and tied to their development plans.</p> <p>The methodology used in this thesis are semi-structured theme interviews, observations and documentation. The case company's actions, approach and attitudes with Facebook were analyzed from the perspective of establishing electronic Customer Relationship Management. While studied largely from perspective of large companies, this thesis focuses on a small business scope in a local market.</p> <p>In conclusion, the case company is suggested to change the current Facebook approach to integrate customer-centric approach in the center. The change should enable the case company to have better efficiency and reach with their Social Media content.</p> <p>Part of the Chapter 4 Findings and Chapter 5 Discussion and Conclusions are not published in their full length in the library version because the information in them is classified as confidential. The Appendices are not published either for containing information classified as confidential.</p>	
Keywords: Customer Relationship Management, Social Media, Facebook, Case Study, Parturimo Herman, Small Business 6	

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1 INTRODUCTION

1.1 Background and Motivation

This research work is commissioned by Parturimo Herman in Kemi. From the case company perspective there are clear objectives for the thesis work. In the past the case company had intentions of maintaining more active presence in Facebook. Unfortunately the case company lacked resources to do the work required and research how the Facebook platform works for small businesses. Lack of resources is a common problem for small business with Social Media as demonstrated by Tice (2012). The case company wants to improve their electronic customer relationship management (hereinafter eCRM) efforts and have more precise understanding of the Facebook platform as a tool for eCRM and marketing. In order to answer the case company's desires to understand social media interaction from a small company perspective, the researcher conducts the work for them. The researcher, firstly, carries out an extensive research of customer relationship management (hereinafter CRM), social media and Facebook, based on literature reviews. Secondly, empirical data collection of the case company's current approach and understanding of social media is carried out. For the case company to implement effective social media eCRM and social media marketing, it is imperative for them to understand social media platform functions. The outcome of this thesis work is to be used to improve the case company's eCRM in social media.

In the past, companies have been accustomed to be in control of the published information of their brands. Today, technological improvements have enabled the customers to take the focal point of dissemination of information. As the social media has grown to include majority of the users of the internet, Facebook alone has over 1.230 million users in 2013 (Sedghi 2014). It is forecasted that even more people will be joining the social networks in the years to come. The platforms of social media enable customers of businesses to interact with each other on a daily basis and in real time as explained by Bakhurst (2011). Sharing content, experiences and likes with each other, regardless of businesses desires to be involved in social media. This interaction allows customers to find information about products and services increasingly fast and at the same time it is seen as more trustworthy than advertisements made by marketers. At the same time Social Media enables masses, it places challenges for companies today as

Van Belleghem (2012) demonstrates.

Especially large corporations have taken notice of this change of power from marketers to the customers. In order for large companies to tackle this change, companies have started getting involved in social media platforms as shown by Edwards (2012). Alternatively some companies have started creating their own social media platforms. Large corporations realizing that they cannot control the information published in social media, are now trying to change the perspective of their interaction. Enabling customers to speak within their platforms and voicing their concerns or likes, creates an impression of a customer-friendlier approach. Changing from transaction marketing to CRM by listening and hearing the customers has helped companies understand better the concerns of customers and allowed them see that the companies do care for them. By creating more positive word-of-mouth of themselves, the companies hope to increase sales. Reacting to negative feedback faster and possibly fixing the problem a customer had, they hope to decrease the negative impact of published content. For companies there are number of reasons why they should head to Social Media as illustrated by Chandler (2013) and Van Belleghem (2012).

The research is partly based on the researcher's extensive understanding of the case company and its operations. The researcher has interviewed the case company staff twice in 2011-2012, having carried out a customer satisfaction questionnaire in 2012. In addition, the researcher has working experience with online marketing from an internship in Institute for Cultural Diplomacy in Berlin. The researcher also participated in an international Practice Future product and service development competition in 2012 and 2013. The competition in 2012 included a company assignment that was based on networking. The researcher strongly believes that in order to have strong social media presence, a company needs to be active and engage the customers. The researcher is curious in seeing how a small business could use social media in a local market for their competitive advantage. Much of the literature involves mainly research upon large corporations and their social media involvement. The literature studying CRM is often also conducted from the perspective of large corporations e.g. Rigby and Ledingham (2004), Wagner (2012) and Gossett (2014). The study area is left much untouched from aspects of a small company working in local markets. It often is the small companies

lacking the understanding of how to use social media tools for their marketing and CRM as explained by Casserly (2013), Tice (2012) and Coleman (2012). Suomen Yrittäjät (2012) demonstrate the amount of micro companies with employees 1-9 in Finland was 93.4% of the whole amount of companies in Finland. In conclusion, the research work has benefits in its context due to the amount of micro companies' within Finland and continuing growth of social media influence.

1.2 Objectives

The objectives of research are, firstly, to analyse the case company's social media external communications for the purpose of eCRM in order to suggest improvements. In this research work the external communications are defined to include communications taking place in social media platform Facebook. Secondly, the thesis work is to give the case company better understanding of the efficiency of their social media marketing. Moreover, to suggest improvements for the case company's social media marketing. Thirdly, the thesis works aims to offer the case company tools to approach social media marketing for the purpose of CRM. To potentially enhance the case company's marketing reach and engagement through social media. Offering knowledge with the tools instead of a Social Media strategy is a conscious choice. Additionally, offering the tools is more beneficial in the long run as the staff are able to adjust, re-create their own social media strategies, understand the plan created together in the company better and are more committed to the process.

ECRM can be used to manage existing and to build new customer relations. The aim of eCRM is to improve services and learn more efficiently of customer wants and demands. (Romano and Fjermestad 2006, 4 & Bartolacci and Meixell 2006, 21.) The case company Parturimo Herman wants to understand if eCRM could be used for their business through social media. As the case company works in service industry, building solid customer base is extremely important for maintaining the business revenue. Means to improve and establish eCRM are sought through this research work.

As explained by Juslén (2013A, 64) companies that need marketing as a means of building customer base, benefit the most from Facebook marketing. Juslén (2013A, 64-

65) also points out that the disadvantages of using Facebook are required competences and time. Kietzmann, Herkmkens, McCarthy and Silvestre (2011, 242) on the other hand point that a company either needs to decide to get involved or ignore it. Mangold and Fauld's (2009, 357-356) disagree with Kietzmann et al. (2011, 242) in that a company should get involved and learn to manage social media discussions.

Keeping in mind the above objectives, the researcher's objective is to find solutions to improve the case company eCRM and social media marketing. The thesis work uses empirical data and established literature as basis for its argumentations to suggest improvements.

1.3 Case Company: Parturimo Herman

Salon Herman was founded in 1957 and it is one of the oldest salons in Kemi. Currently, the business is owned by Mrs. Ritva Eskola, however, the journey to own and run the business was not easy. Mrs. Eskola bought the company from Mrs. Terttu Fluor in 2000. The business was sold by Mrs. Fluor as she was retiring, Mrs. Eskola becoming the owner in January 2000.

Prior to buying the company and getting into the hairdressing field, Mrs. Eskola had graduated from a vocational school in year 1977. After graduating she worked as a permanent hairdresser, however, stepping down as she became pregnant. After having children, it was difficult to find a job other than as a part-time employee, which made her to call a decision to leave the industry for around 20 years to work in agriculture. After almost two decades of being out of the field, she became again interested as she saw an advertisement in the local magazine. Not making the call the first time, the second time she saw the same advertisement, she made a call to Mrs. Fluor asking about the business and price. Mrs. Eskola explained she would not buy the company immediately, as she was about to leave for a holiday for two weeks, and needed time to think it through. Having decided that if she still was interested after the holidays, she would give a call to the owner of the business. However, after returning from her holidays, she was wary of deciding whether to buy or not. The reason for taking time to consider the acquisition carefully was due to not having owned a business before and

having been away from the industry for so long.

In the end, Mrs. Eskola was contacted by Mrs. Fluor asking if the interest in the company remained. Mrs. Eskola agreed to meet the owner of the business and see the premises. After seeing the business, Mrs. Eskola liked it and the past of the company which had always been one of the top hairdressing businesses in Kemi. The latter fact made her a bit nervous, along with the lack of touch for the field after having been away for such a long time. With Mrs. Fluor, she agreed to buy the company, if she could remain as a trainee in the company for 4-5 months to relearn the industry tricks. For four months she worked in Parturimo Herman part-time and attended courses in Helsinki to learn the current styles and uses of chemicals. After four months, Mrs. Eskola discussed with Mrs. Fluor to let her know that she was feeling confident enough to run the business on her own from that on. Mrs. Eskola bought the business.

As she bought the business, she was aware of the history of the business having been in business for 43 years as one of the best salons in Kemi, and being mainly men's barber salon. Mrs. Eskola made a decision that the business would maintain its position as a recognized salon, at least during her time. Occasionally, the new owner was slightly terrified of what she had got herself into and running a business alone. During the time she had bought the business, she had calculated that it would take around three years for her to build up the customer base and make the business profitable. Surprising herself, she made the business profitable in one year and two months, having to take in a part-time assistant to meet the customer demand. During this time, she also started hairdresser's master degree studies in Valkeakoski, which lasted around a year and graduated as a master hairdresser in March 2002.

Mrs. Ypyä joined the company in 2009 after graduating, and prior to joining as a full-time employee, she had done practical trainings and summer internships in Parturimo Herman. Mrs. Ypyä originally had background as a sociologist, and she had decided to study another degree as the field did not have job placements in the Kemi region. Mrs. Niva joined Parturimo Herman in 2013, as she resigned from her job at Nokia Siemens Networks. Mrs. Niva started in Parturimo Herman through an apprenticeship contract i.e. meaning she was working as a student in the company and carried out her

professional studies at the same time. Originally her education includes having graduated with a bachelor of marketing and business management from Kemi-Tornio University of Applied Sciences.

Throughout Mrs. Eskola's time as the owner of the business, she has had part-time workers, interns and employees in the company, with the longest employment relationship having lasted for eight years. Every time there has been time that the business has been forced to sell "No's", for which reason she employed another worker to meet the increasing demand. At best, the business employed four members, including Mrs. Eskola, but recently the number has decreased back to three staff members. As the fourth hairdresser resigned, a massager started working in the current business premises. Throughout the time of Mrs. Eskola having run the business, it has moved two times, each time to a bigger space to accommodate growth. Feeling ambitious and wanting to grow the business, the current owner has interest to try out new innovations regarding their business and to bring something new to the customers. Such development means adding new services and products.

1.4 Research Methodology

This thesis work is conducted as a single case study for the case company Parturimo Herman drawing from the explanatory research approach. The empirical data, firstly, for the research work is collected through semi-structured theme interviews of the owner and staff members. Secondly, empirical data is collected by non-participant observations by the researcher in the company premises, observing the social media actions taken during the time of the thesis work. Thirdly, data is collected through document analysis of existing documents on the case company's social media marketing and customer relations management. Through interviews, observation and document analysis the aim was to build information triangulation to improve the validity and reliability of the findings and the outcomes of this research work for answering the research questions. The research questions will be further examined in chapter 2.

Moreover, during the researcher's internship in Berlin Germany working with social media marketing provided valuable insight into the research work. The findings of the

research work reflected on the previous research and literature. Detailed explanation of the research process and the choices of the research methodology will be further provided in sub-chapter 2.2.

1.5 Structure of the Thesis work

This thesis work is divided into five chapters. Chapter 1 represents the introduction of the thesis topic, motivations for conducting the thesis work, background of the case company, summarization of the topics and research methods. Chapter 2 discusses the research questions and research methods and presents the limitations of this thesis research. Chapter 3 introduces the main concepts of the research work based on literature review. The aim is to establish understanding of the core challenges, benefits and disadvantages of CRM, the use of Social Media and Facebook as marketing environment. Chapter 4 presents the empirical findings of this research work that were discovered during the thesis work. The analysis and interpretation of the empirical data and theoretical framework of this thesis work is demonstrated as discussion in Chapter 5. Based on the discussions, the conclusions are drawn and presented as outcomes of this thesis work and suggestions for further research are provided to the case company.

2 RESEARCH QUESTIONS AND RESEARCH METHODS

2.1 Research Questions

The research questions of the thesis work will be further discussed and motivated. The thesis work objectives are intertwined to the research questions and finding answers to them. The first objective of this research is to analyse the case company's external communication to improve it further. The second objective is to provide the case company a better understanding of the efficiency of their social marketing and suggest improvements based on findings of the research work. The third objective is to offer the case company a strategy to approach their social media marketing.

The research questions of this research are discussed below. To understand the case company's challenges with social media marketing, the research questions are in hierarchical order, the first question requiring the answers of the second and third research question to be answered.

1. How can the case company's CRM be improved through the use of social media?

The first research question aims to explore how the thesis work can help the case company develop their approach to CRM through the use of social media. The use of social media marketing can bring challenged especially for older generations. The first aim of this research question, as a direct outcome, is to provide the case company a tools to develop their social media strategy. Secondly, finding answers to this question allow researcher to suggest improvements to what they already have done with social media marketing.

2. What is the internal perspective in the case company's approach to the use of social media as a tool for marketing?

Due to the fact that the case company staff are carrying out their marketing personally, understanding the internal perspectives of the case company staff is important for understanding their challenges with social media marketing. This research question,

firstly, aims to learn what kind of challenges the staff members are facing when working with social media marketing. Secondly, finding answers to this question assists in understanding the extent of actions and consideration taken to keep the social media platform used interesting for customers.

3. How familiar are the staff members of the case company with the Facebook platform for customer relations management?

This research question, firstly, seeks to understand the depth of knowledge the staff members have of Facebook platform. Secondly, to understand how is Facebook approached from the perspective of using it for CRM within the case company. By finding answers to the third question assists in understanding the extent what need to be covered when answering the first research question.

2.2 Research Method and Research Process

The main topic of the thesis work is focusing enhancing CRM through use of social media in the case company. The research work start by negotiating with the case company owner what the work could touch in the company. Agreeing the general research topic area resulting in signing a commission agreement. Due to the help understand and explain the research findings, thesis work includes explanatory research method. Theoretical framework for this thesis work is gathered from previous research and literature. The relevant literature sources and collected empirical data are used by the research to build interpretations to make the research analysis.

As explained by Yin (2009, 18) case study is a research design that is used when examining contemporary events in real-life and in which the researcher cannot manipulate or influence the events. Piekkari and Welch (2011, 6) demonstrate that case study studies phenomenon in natural conditions, through a number of data sources, to challenge theory with empirical findings. Due to the nature of case studies exciting in the current events. Constructing validity in a case study is difficult process for researcher. Often case studies face difficulties in establishing required measures to data collection. Leaving the case study lack a chain of evidence to show what lead the

researcher to build the argumentation for the analysis of the thesis work. (Yin 2009, 41). Zalan and Lewis (2004, 509-511) emphasize the fact that showing methodology in qualitative research work is one of the most important parts of research work and for building reliability and validity. In this research work the information triangulation, as explained further later in the chapter, is used to cover multiple sources of evidence and establishing a chain of evidence to construct validity. A company representative will be asked to review the draft data report to ensure authenticity of the data collected. Second difficulty of case studies is internal validity. As explained by Yin (2009, 42), internal validity is especially challenging for explanatory research works. Therefore the data collected for the research work will have to go through pattern matching. In this thesis work explanation building will be demonstrated by intertwining argumentation through theoretical framework and empirical data collected to show the readers the process of analysis and interpretations which lead to the conclusion.

Third case study problem is with generalization of research findings as explained Yin (2009, 43). Case studies have been often criticised for being poor base for building generalization that can be applied to larger number of cases (Yin 2009, 43). As single case studies have increased difficulty building external validity. This research work relies on heavily build theoretical framework as a single case study. Instead of attempting a statistical generalization, the research work focuses on analytic generalization. Providing the reader an understanding of how to approach the research topic and basic guidelines to carry it out in their own case. Stake (1995, 8-9) point out that case studies important aspects is in its interpretation of the researcher made after attempting to build throughout understanding of the case study and ability to adjust methods according to the findings. Fourth challenge of a case study is to do with reliability. As explained by Yin (2009, 45), the case study must be able to remake the case study and end in the same conclusions as the researcher. Case study can rely on case study protocols and created case study databases to overcome the lack of reliability (Yin 2009, 45). Yin's approach has been criticized by Piekkari and Welch (2011, 3-4) for not giving importance for data being represented by people's own words and that partly due to Yin's popularity, different approaches to case studies have been left with little attention and value. In this research work the aim is to show in the discussions part the main argumentation the researcher used to build analysis on, while representing the

interview data in interviewees own words. The readers are not provided the transcripts of interviews or observations due to containing information classified as confidential.

This case study transcripts open up the themes of the interviews and unnecessary word-repetitions are left out. As Hirsjärvi and Hurme (2009, 140) explain, researcher can write the transcripts in desired model. Action which Simons (2009, 120) defines as data reduction that directs researcher to focus on relevant information. The repetitions of words is left out if they do not disseminate any extra information into the interviews. Depending on the context of the interviews, some repetitions of words may be left in order to display that the interviewee was hesitating to answer and therefore conveying some other information. If such situations take place that it is suspected that interviewee left something said, it will be marked under transcript of observation with the date of the interviews. By establishing data collection procedures and creating database which is accessible to the reader. The research works aims to increase the reliability of the findings of the research work. Stake (1995, 64-65) emphasis that failing to obtain useful data is extremely difficult through interviews and therefore the researcher should have a solid plan to collect data.

Case studies use information triangulation, as examined previously, to build validity to the research work. The methods to collect data vary depending on the case and what is available as explained by Yin (2009, 114). Furthermore, as Yin (2009, 114) illustrates, triangulation is one of the strengths of a case study. Using multiple sources of evidence and creating a chain of evidence, a researcher creates validity for the research work. In this case study research work, the researcher is using following data collection techniques: semi-structured theme interviews, documentation analysis and direct observation. The three data collection techniques, interviews, documentation and observation were chosen due to the large amount of qualitative data available and the lack of quantitative data within a small company.

As Yin states (2009, 106), interviews are one of the principle techniques of data collection for case studies. Daniels and Cannice (2004, 185) further explain that interview technique works ideally when there are small amount of respondents and depth is required instead of broad data. The techniques for data collection most used in

case studies are documentation, interview and observation research techniques (Yin 2009, 11). The case study research design gathers criticism for the lack of clear definitions. The case study method relies on more interpretative analyses of complex data, which often is not in the form of quantitative data. (Yin 2009, 18.)

The interview data collection technique is heavily used in this research work. As often the case in small businesses, a great deal of the information is tacit knowledge which has not been documented. To understand the case company's strengths and weaknesses, it is important to study the people working in it. As explained by Hirsjärvi and Hurme (2009, 34-35), when studying people as a part of the phenomena it is important to grasp their understanding of it. The research work aims to suggest improvements to the case company's activities, it is important to know the level of knowledge of the people involved in the processes studied. Secondly, the people involved in the activities are most familiar with the challenges they are facing and their weaknesses and strengths in these activities. Through the interviewing technique the research work can clarify the in-depth knowledge of the studied phenomena. (Hirsjärvi and Hurme 2009, 35.) Stake 81995, 65) emphasis the interviewees having personal experiences and therefore the interviews should be customized to fit each individual, instead of operating like a survey. In this research work, the interviews were conducted as semi-structured theme interviews. As defined by Hirsjärvi and Hurme (2009, 47), semi-structured theme interview is a technique where parts of the interviews are pre-determined, but not all.

Observation will be used as the second data collection method. For this case research the researcher used semi-structured theme interviews as a research technique. According to Hirsjärvi and Hurme (2009, 47), semi-structured theme interviews has four stages as follows:

1. The researcher knows the subjects for interviews have experience the studied phenomena.
2. The researcher has previously studied structures and parts of the studied phenomena. Having built certain assumptions regarding the subjects involved.
3. Based upon the analysis made, the researcher constructs a skeleton of the interview.

4. The interview is directed to interviews subject's subjective experiences of the phenomena that the interviewer has already analysed.

Difference of semi-structured theme interview technique from other interview techniques is that it does not need experimentally created shared experience among the subjects. Semi-structured theme interview assume that the subject's experiences, thoughts and views through this method. In addition, it places an emphasis on the subject's experiences, which this research work relies on. Instead of using highly structured form of interviewing, the interviews are supported by themes chose prior. Furthermore, allows the subjects to contextualize the experience and through it giving greater emphasis on the analysis of the subjects of the experienced phenomena. (Hirsjärvi and Hurme 2009, 48.)

The second data collection method is observation, which is intertwined in the interviews and outside of them in this research work. Koskinen, Alasuutari and Peltonen (2005, 77) define the observation technique as used to study subjects in the natural environment and the places where the phenomena studied takes place. De Geer, Borglund and Frostenson (2004, 331) define observation as a technique that studies symbols of cultures in a working atmosphere. In this case research work observation is used to study the subjects' behaviour and unspoken approach to the studied phenomena in a working place and places where social marketing is conducted. Observation is also used to follow social media marketing of the case company and see the content already published online and the amount of audience they gathered. As defined by De Geer, Borglund and Frostenson (2004, 331) this research work uses open observation that works without a hypothesis as a background. The following definition is given by Yin (2009, 109-111): studying phenomena in natural settings creates option for direct observation. Through direct observation, the research work aims to find out the subjects' desire to learn, their existing knowledge of the studied topic and whether they hold negative or positive approach to studied phenomena. The researcher has spent considerable time with the case company before the start of this research work. Which enables the researcher to better understand the challenges of the case company, their staff member's competences with studied phenomena and is more likely to hear information that would not be revealed to outsider researcher.

The third form of data collection in this research work used is documentation. The observations made during the research work were documented in research diary and interviews were transcribed included for the university professors to go through. As Yin (2009, 103- 105) demonstrates, documentation can be in variety of forms. In this case research work following sources of existing documents were used: written reports of events, administrative documents, progress reports, other internal documents and announcements in social media. Firstly, in this research the documents are used to verifying information found through other data collection techniques. Secondly, the documents are used to better understand the case company efforts regarding social media and CRM. As explained by Yin (2009, 105) the research work should not rely too much upon documents, and therefore the documents included were only those that have relevance to the studied phenomena and are available at the case company. In contrary to Yin, Wright (2011, 361) explains that documents are often overseen by researchers, which partly is strengthened by the lack of methods for document analysis. Furthermore, Wright (2011, 362) illustrates that documents can open characteristics and attitudes of the case company through the way the text is written. Firstly, building understanding of the documents in chronological order. Secondly, building understanding of the content of the documents via genres of their communication. Thirdly, showing the social purpose of the documents. The purpose is to ask what the documents do, how they are produced, how they are used and dispersed. (Wright, 2011, 362.) By Wright (2011, 363-364) documents can be defined as “documents-in-action” which illustrate the case company’s actions and demonstrate the reality and social atmosphere of the company. In this thesis work the documentation is taken from case company Facebook content published during the research work and possible other documentation the case company has that is relevant to the studied phenomena.

The analysis of the case study data tends to be the most challenging part in case studies, especially when the researcher is first time carrying out research work. As Yin (2009, 127) explains, the lack of experience of researcher introduces challenges to the research work. Hirsijärvi and Hurme (2009, 135) highlight that attention should be given to the case data analysis during planning the data collection. Yin (2009, 127-128) mentions possibility of research work taking advantage of the use of computer systems to help in the analysis of the data. Computer programs can help in the process, but they cannot do

the analytical part of the work. (Yin 2009, 127-128). In this case study, the researcher did not use computer assisted tools for the analytical part of the case data, and therefore, the computer analysis tools are excluded from further exploration.

As the case research work relies on qualitative data, the outcome of this thesis work aims to be analytic generalization as explained before. To analyse the case data Yin (2009, 129-130) illustrates that it is helpful for the process of data analysis to carry out following tasks as listed as follows:

- Dividing data into different categories
- Creating a matrix of categories to study the data
- Marking down the number of separate events in a table
- Studying the intricacy of the tables and the relationships and calculating means and variances.

The objective of establishing more rigorous approach to analysing case data is to avoid delaying the analytical process. In addition, to keeping the process in track, it helps the research to understand case data and find suitable analytic strategy. (Yin 2009, 129-130.) Hirsijärvi and Hurme (2009, 136) suggest that analysing qualitative data can be done as listed below:

- Dividing the data into themes or categories of information
- The analysis of data is conducted close to data and the context of the data
- The researcher uses inductive or adjunctive approach. Inductive approach giving focus on the data, while in adjunctive approach the researcher already has some theoretical framework as foundation.
- There are number of analytical techniques to be used. And in qualitative research work there is not one certain analytic technique, but several can be used.

In both Yin's and Hirsijärvi and Hurme examples to approach data analysis the first step is to divide data into categories. By summarizing the data under categories, the objective is to make the analysis of the data easier to handle and more structured as

explained by Hirsijärvi and Hurme (2009, 137). Simons (2009, 122) define the concept Hirsijärvi and Hurme introduced approach as progressive focusing. Focusing data into themes or areas in which they can be examined further, while reducing the overall data involved in the process. Furthermore, Simos (2009, 122 – 123) explains that concept mapping can be used to illustrate the data in visual manner in three stages as follows: Firstly to narrow down data under categories, secondly, to find common themes in the data and, thirdly, to point out interrelations in between in visual manner. In this thesis work the researcher will carry data analysis in the following order:

1. Familiarizing with the data collected by reading it through
2. Mark down tentative themes that seem to repeating in the findings
3. Dividing case data under general themes
4. Defining more specific themes that have relevance for the research questions
5. Discussing the data by creating explanation building
6. Adding to the discussion logic models. Using established literature for constructing arguments.

In this case study the researcher uses theoretical propositions as the main strategy. As the research questions are the drivers of this case study, to answer those research questions specific data is required. It is imperative to keep research questions in mind for the outcome of this thesis work. (Yin 2009, 130.) A consideration was given for using examination of rival explanations as analytical strategy, but it became clear during researching the theoretical framework that there very little differences in course of actions the literature suggests. For this research work there will be used two different analytic strategies to strengthen the chain of evidence and the validity of the conclusions.

As often challenge with qualitative research work, as demonstrated by Hirsijärvi and Hurme (2009, 143-144):

1. Demonstrating the outcomes of the research work has stopped into stage of analysis
2. The analysis part has been left touching the surface instead in-depth analysis

3. In-depth analysis has not been carried out by intertwining theoretical framework into the analysis.

In this research work the theoretical propositions define the themes under which the data is divided. To analyse the themes of the findings the research work uses, firstly, explanation building technique. Yin (2009, 141-144) explains that the objective of explanation building strategy is to seek explanations to “why” or “how” the researched phenomena took place. As explanation building relies on a narrative manner of explaining, it often lacks precision required to demonstrate strong chain of evidence or validity. Yin (2009, 141-144.) This thesis work avoids using thick description due to practicality of this thesis findings being used for the development of the case company. In order to avoid the lack of chain of evidence or internal validity, the thesis work uses logic models technique as a second analytic strategy. Logic models technique is used to argumentation based on the theoretical framework as explained by Yin (2009, 149-150). As further illustrated by Yin (2009, 149-150), the logic model technique uses both empirical data findings and strengthening them with theoretical framework.

The two techniques are chosen for this thesis work to support each other's and build stronger internal validity. Explanation building allows the researcher to demonstrate the causal relations between the events that took place and the conclusions. While logic models further demonstrate the argumentation based on established literature.

2.3 Limitations

The shortcoming of the interviews can be considered to be inexperience of the researcher to ask insightful questions and having not given details of the interview topics prior to the interviewees in the first round of interviews. The aim of not giving interviewee's time to prepare their answers was to receive honest replies, and to gather information via observations made of their attitudes toward the studied phenomena. Later on the researcher learned the lack of information by this approach and therefore arranged second round of interviews with more specific themes. However, for the objective of this thesis work, the interviews gave in-depth information.

Firstly, the interviews were carried out as a theme interviews giving emphasis on the experience of the interviewees and understanding. Secondly, the interviews were carried out in Finnish to avoid the interviews misunderstanding questions and concepts. The interviews were recorded and later parts with relevance for the research work were transcribed. Second shortcoming was at the beginning of the research work as researcher did not carry notebook and pencil along at all times. Some observations were not written down, due to the lack of note taking equipment and forgetting what had taken place. The researcher learned later on to keep paper and a pen with him constantly. Therefore it can be concluded that the observations made and documented are reliable. Third and largest shortcoming is documentation analysis. The case company lack documented notes of marketing plans, as common with micro and small businesses. Therefore much relies upon the memory and interpenetration of the staff members when discussing the thesis research areas.

The research work was intended to be non-participating research on the case company in the start of the research work. However, during the research work the researcher noticed some problems in the case company's activities. Considering that the aim of the research work was to work for the benefit of the case company, the researcher then pointed out the problems, which are listed in the transcript of observations.

There is a question of validity and whether the research could be implemented again or duplicated. By establishing extensive research methods and research topic introductions, the researcher aim is to offer tools for the readers to carry out their own case studies. And by extensive discussion of research method and research topics creating internal validity. As with case studies there are challenge of external validity and the findings of a case study are difficult to implement to other cases. To decrease the problem of external validity the researcher aim was to offer analytic generalization instead of statistical generalization. Micro and small companies can use the conclusions and tools offered by this thesis work to build up their own eCRM approach in social media. And especially Facebook marketing is discussed closely, which many micro companies consider as the first social media platform to be used for marketing. By demonstrating

the data collection methods and part of empirical data findings for public, the researcher aims to establish reliability for this research work.

3 BUILDING CRM THROUGH SOCIAL MEDIA IN SMALL BUSINESSES

3.1 Small Business

Bridge, O'neil and Cromie (2003, 182-184) state that there are multiple ways of defining a small business. Definition of small business can vary in economic term and by the number of people it employs, as explained by Bridge, O'Neil and Cromie (2003, 183-184). In order to define what a small business is Bridge, O'Neil and Cromie (2003, 182-184) state that small businesses are defined at least by two characteristics listed underneath as follows:

- Small businesses management is independent. The managers and owners tend to be the same
- The business capital is provided by the owner of the business, or by a small group
- Small business area of operation is local, while the owner and employees might live in different area, the market itself needs not to be local.
- The size of the business within its industry must be small when compared to largest units in the field. The measure can be sales of the business, volume, and number of employees or other measures.

It is argued that above mentioned definitions are not enough to define a small business. Small business is about independency, having limited resources and require to use external services for parts of its activities. Small businesses need to work with greater uncertainty than larger companies, and they carry greater risks. In defining a small business following aspects should be taken to consideration as defined by Bridge, O'Neil and Cromie (2003, 184):

- Owners influence the entrepreneurial activities and decisions
- Owners often manage all activities involved and carry the responsibilities of their actions. They tend to be more flexible and adaptable to changes in market
- Quicker in grasping business opportunities

- Have informal company culture and management while making strategic decisions
- Tend to praise more positive and hands on attitude.

European Commission in recommendation 2003/361 have defines small businesses by two main characteristics as follows:

1. Number of Employees
2. Income

By EU Commissions definition, small businesses are within following threshold values when defined by number of employees or income:

Table 1: Defining small business size. (Adopted from European Commission 2015)

Company category	Employees	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

In this thesis work we define the case company to be under micro companies due to the size of it. Even if the case company is in micro-category, the challenges of resources are similar than they are to small business, if not even more relevant.

3.2 Customer Relationship Management

There are several suggested definitions for the concept of CRM. CRM is defined by Romano and Fjermestad (2006, 4), Cho and Fjermestad (2006, 35) and by Buerren, Schierholz, Kolbe and Brenner (2009, 111), firstly, as the activity to manage customer relationships with best to provide best value to the company. Secondly, CRM is defined as relationship marketing that aims to maintain relationships for mutual benefit of the company and customers. (Romano and Fjermestad (2006, 4), Cho and Fjermestad (2006, 35) and Buerren, Schierholz, Kolbe and Brenner (2009, 111)). By Zablah, Bellenger, Johnston (2004, 475) CRM on the other hand is defined as a continuous process, which includes the utilization of customer information for maintaining and

improving customer relationships. In this thesis work, CRM refers to the activity of the case company members for maintaining customer relationships, acquiring new customer relationships for long-term benefit instead of focusing on best value customers.

The thesis work focuses CRM activity to eCRM. By Cho and Fjermestad (2006, 35) eCRM is a strategy for company that uses technology for creating long-term customer loyalty. Internet services and social media services have been vastly growing in current recently, which in turn has enabled sharing information from consumer to one another quicker as explained by Manngold and Faulds (2009, 358). At the same, time growth of internet and social media has resulted in the growth of eCRM systems. eCRM uses traditional CRM methods on the electronic platform as explained by Bartolacci and Meixell (2006, 21-23). These electronic platforms today include internet and social media services, but for this thesis work will be focusing on social media service Facebook. As with traditional CRM the tasks involved with eCRM by Bartolacci and Meixell (2006, 23) are the same as follows:

- Creation of organization culture to customer approach, learning and innovation
- Integrating customer value as core focus in organization strategy and planning
- Collecting and analysing customer information for benefit of the organization
- Identifying market segments and customer customization
- Campaign and channels managements used for creation of value proposition
- Process performance measurement to guide organization decision making.

The difference of the eCRM is that it uses online platforms for collecting customer information and customizing services for them, increasing the value of customer relationship as explained by Bartolacci and Meixell (2006, 23) and Cho and Fjermestad (2006, 36). Both CRM and eCRM use relationship marketing instead of the traditional marketing mix known as transaction marketing. As illustrated by Bartolacci and Meixell (2006, 23) the difference is in the amount of customer interaction, the relationship marketing placing emphasis on the role of customer relationship in it. Furthermore, as explained by Bartolacci and Meixell (2006, 24) eCRM can be divided into two categories: operational and analytic. The operational eCRM includes contact with

customers through electronic means, while analytic eCRM refers to processing of the information collected through operational eCRM as illustrated by Bartolacci and Meixell (2006, 24). Moreover, Bartolacci and Meixell (2006, 24) advice against the dangers of eCRM to avoid making eCRM of company seem like spam within the used channels. Gordon (2013, 4) explaining further that simply marketing messages with intention of selling services or products will simply drown amongst the other companies that do the same.

Kietzmann et al. (2011, 242) point out that companies should either be part of social media communications or ignore it: "...Communication about brands happen with or without permission of the firms in question. It is now up to firms to decide if they want to get serious about social media and participate in this communication, or continue to ignore it...". Mangold and Faulds (2009, 358) on the other hand, explain that when entering social media, a company should have prepared strategy to approach social marketing and not ignore the discussions taking place in social media. Whereas, Kietzmann et al. (2011,242) acknowledge that discussion of the company or brand will take place in social media regardless of their presence there, they recommend to consider if brands should get involved in those discussions. Mangold, and Fauld's (2009, 357-359), on the other hand, point out that it is best to be participative member of those discussions, as with the proper strategy in place, a company can decrease the damage of negative word-of-mouth and influence potential customers positively. Gordon (2013, 4) state that differentiation strategy is the way to manage interacting with customers through eCRM.

The main point of eCRM focuses on decreasing the threshold for customers to buy services from a company. As Bartolacci and Meixell (2006, 27) illustrate of the role of information: "Correct use of information drives an overall improvement in supply chain efficiency or marketing efforts". In this thesis work, the role of information is for the case company to communicate competences and the quality of their services and products to the customers, and possibly customers to communicate quality for the case company or voice dissatisfaction for the case company. Hence, engage customers and activate them for interaction through social platform as shown by Cho and Fjermestad (2006, 36). Moreover, organizations should enable staff members to manage eCRM for

efficient communications through eCRM which means that a company needs, firstly, provide staff with information, secondly, enable them with proper equipment as explained by Bartolacci and Meixell (2006, 29) and Cho and Fjermestad (2006, 37).

It should be taken to consideration that the role of a customer may be greater in CRM than just defined as a party that buys services and products. A customer may become an ambassador for the organization through word-of-mouth. Öberg (2011, 131). It can be argued that the role of customer is more than just being a consumer of services, but including a possible channel for marketing for an organization. Attention should be placed on the positive and negative impacts of customer relationships. Positive customer relationships bring revenue to the company and spread word of the services and products, whereas negative customer relationships decreases revenue and possibly spread ill-will of the company services and products later on. (Öberg 2011, 131-134 & Gordon 2013, 2.) Gordon (2013, 1) states that it is the customer relationships that make the company sustain through hard times.

Gordon (2013, 4-5) demonstrates that companies taking on eCRM should interact with the customers in social platforms and engage them to spread word of the company for two reasons: Firstly, the customers' words are more trusted than marketing word of a company. Secondly, the customers' know better who of their own networks could potentially become consumers for the company services and products. (Gordon 2013, 4-5).

3.3 Social Media Marketing

For the thesis work it is important to define the concept of social media and to what is referred when using it. Evan (2008, 31) defines social media to consists of honest discussion between people of shared interests or experiences, by participating in conversation and sharing information to enable participants to make more informed choices. Mangold and Faulds (2009, 357) describe social media as a new multiple platforms of online information that are being produced and seen by other consumers wanting to inform others of the products, services and brands they have experience with. By the definition social media is considered to involve multiple different channels.

These social channels continue to improve and expand as new applications and devices are invented. The core concept of social media is that they allow participation of their users to exchange opinions and thoughts between them, called ‘audience’ as defined by Evans, (2008, 34). In this thesis work the term audience refers to both companies and customers. As demonstrated by Gordon (2013, 109) that companies no longer can be considered as separated entities, but as interactive part of discussions, thus making them part of audience. Even Mangold and Faulds (2009, 358) point out that there are roles that social media introduce, firstly, interaction between the company and the customers and, secondly, customer interaction to customer.

Social media does not necessarily offer accurate information due to participative conversations of the audience. However, due to the participative audience, it tends to be self-correcting and offering more accurate experience of the services or products as it is often perceived by other audience that corrects the information. (Evans 2008, 35.) In addition, as Mangold and Faulds (2009, 360-361) state, social media is used increasingly frequently for searching information due to the quick access to it and for perceiving other customers word-of-mouth as more trustworthy. There are a number of social media services available today, with each application and platform having their own focus of use, as demonstrated by Mangold and Faulds (2009, 357-365):

Examples of Social Media (Adopted from Mangold and Faulds 2009, 358)
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- | |
|---|
| <ul style="list-style-type: none"> • Social networking sites (MySpace, Facebook, Faceparty) • Creating works sharing sites: <ul style="list-style-type: none"> - Video Sharing sites (Youtube) - Photo sharing sites (Flickr) - Music sharing sites (Jamendo.com) - Content sharing combined with assistance (Piczo.com) - General intellectual property sharing sites (Creative Commons) • User-sponsored blogs (The Unofficial Apple Webblog, Cnet.com) • Company-sponsored websites/blogs (Apple.com, P&G’s Vocalpoint) • Company sponsored cause/help sites (Dove’s Campaign for Real Beauty, click2quit.com) • Invitation-only social networks (ASmallWorld.com) • Business networking sites (LinkedIn) • Collaborative websites (Wikipedia) • Virtual worlds (Second Life) • Commerce communities (eBay Amazon.com Craig’s List, iStockphoto, Threadless.com) |
|---|

- Podcasts (“For Immediate Release: The Hobson and Holtz Report)
- News delivery sites (Current TV)
- Educational materials sharing (MIT OpenCourseWare, MERLOT)
- Open Source Software communities (Mozilla’s spreadfirefox.com Linux.org)
- Social bookmarking sites allowing users to recommend online news stories, music, videos, etc. (Digg, del.icio.us, Newsvine, Mixx it, Reddit) (Mangold and Faulds 2009, 357-365.)

The above bullet list illustrates that social media can offer various ways of interacting and sharing content between consumers. Many of the above shown social media applications focus on enabling user-generated content and sharing of it. Therefore social media can be examined as consumer-generated media as illustrated by Mangold and Faulds (2009 357). As explained by Evans (2008, 86-87), user-generated or consumer-generated media enables consumers to collect information of the company services from other consumers. This consumer-generated content is available to the audience before and after making a purchase.

As social media has grown to enable consumers to interact, share content, likes and dislikes with each other’s, it has shifted the power from companies to customers in marketing. (Hanna, Rohm & Crittenden 2011, 265-267 & Dahlström and Edelman 2013, 2). And they no longer are just the passive receivers of marketing, but can actually actively influence opinions of others through social media. (Hanna, Rohm & Crittenden 2011, 265 & Bernoff and Li 2008, 36). As social media has empowered the consumers to share information to each other’s actively, it has started to place consumers on the center stage of marketing. (Dahlström and Edelman 2013, 2 & Hanna, Rohm & Crittenden 2011, 265-266). The audience having more power to spread both positive and negative word of the companies that are perceived by other audience as more trust-worthy due to being taken as word-of-mouth of another customer. (Kietzmann et al. 2011, 242 & Mangold and Faulds 2009, 358). This change places businesses in tough place of considering whether to become active member of those discussions and how to manage social media discussions. By actively participating the company sends a message of listening and caring for customer concerns, but in the other hand, a misplaced word or wrong approach can change the situation even worse. (Kietzmann et al. 2011, 242, 244-245.)

As consumers have headed to social media platform in increasing numbers, they are becoming more demanding of businesses to be there. Social media platforms offer opportunities for marketers, but at the same time social media is increasingly harder to be ignored by marketers as perceived by Mangold and Faulds (2009, 359). Consumers disseminate information in those platforms and spend time there on daily basis. Gordon (2013, 108) suggests that social media providing multiple new platforms for carrying out customer acquisition through networks of existing customers in social media. The different uses of eCRM in social media is illustrated by Figure 1 below:

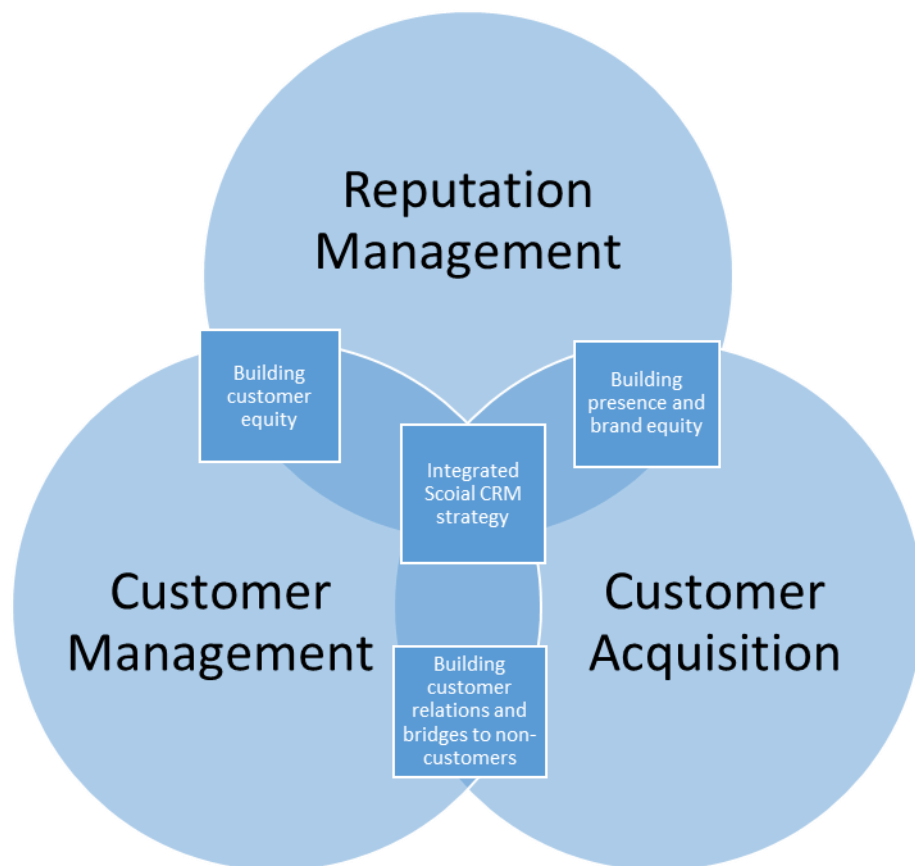


Figure 1: Different uses of eCRM in social media. (adopted from Gordon 2013, 117)

As Figure 1 illustrates, firstly, reputation management and customer management overlap and the objective of the two combined is to create customer equity. Secondly, reputation management and customer acquisition overlap, creating objective of building presence and brand. Thirdly, customer acquisition and customer management overlap, creating objective of constructing bridges to current customers and through them to

potential new customers. Finally, at the center of the Venn diagram, by intertwining the objectives of company social media, creating manageable customer engaging social media strategy. (Gordon 2013, 117.) The key purposes of the concepts in Figure 1 are defined by Gordon (2013, 117) as follows:

- Reputation management refers to activity to manage and improve the company brand and reputation of the company.
- Customer management referring to sustaining and constructing relations with current customers
- Customer acquisition referring to allowing acquiring new customers.

Social media can be considered as an excellent channel for listening to the consumers and their experiences of the services and products. Reputation can become more positive through user-generated knowledge of the company's services and products as both Kietzmann et al. (2011, 247) and Gordon (2013, 110) illustrate. Evans (2008, 35) and Mangold and Faulds (2009, 359) stresses that social media will exist and happen regardless of the company's activities of involving in it. Gordon (2013, 108-110) places emphasis on companies needing to take an active role in listening to the customer in social media and engage the customers and their networks. In addition, Gordon (2013, 112) mentions that social media is good place to keep taps upon competition and to learn of the feedback they receive to generate competitive advantage to own company.

Companies cannot control the course of discussion directly or the content of the discussion. However, they can demonstrate presence and CRM by listening and participation. Both Evans (2008, 36-37) and Gordon (2013, 109) illustrates that marketers have a limited control over the course and content of social media discussions between the audiences. On the other hand, by right approach to social media discussions, a marketer can create a positive image of the company. Evans (2008, 128) demonstrate two main points of social media:

1. Happy customers are likely to spread word of the company and therefore contribute to the long-term benefit for the company in revenue.

2. Revenue earned through misleading the audience will in the long-term result in bad reputation among the audience.

Social media can provide great opportunities to business improve their eCRM and marketing if used in a right manner. Evans (2008, 128-130) mentions term “evangelize”, which is an action of a consumer spreading positive word of a business to other potential consumers. As social media has enabled audiences to disseminate information to large audiences, consumers should be considered as extension of company marketing. As illustrated by Figure 2, the difference between company marketing reach and company and consumers sharing the content forward:

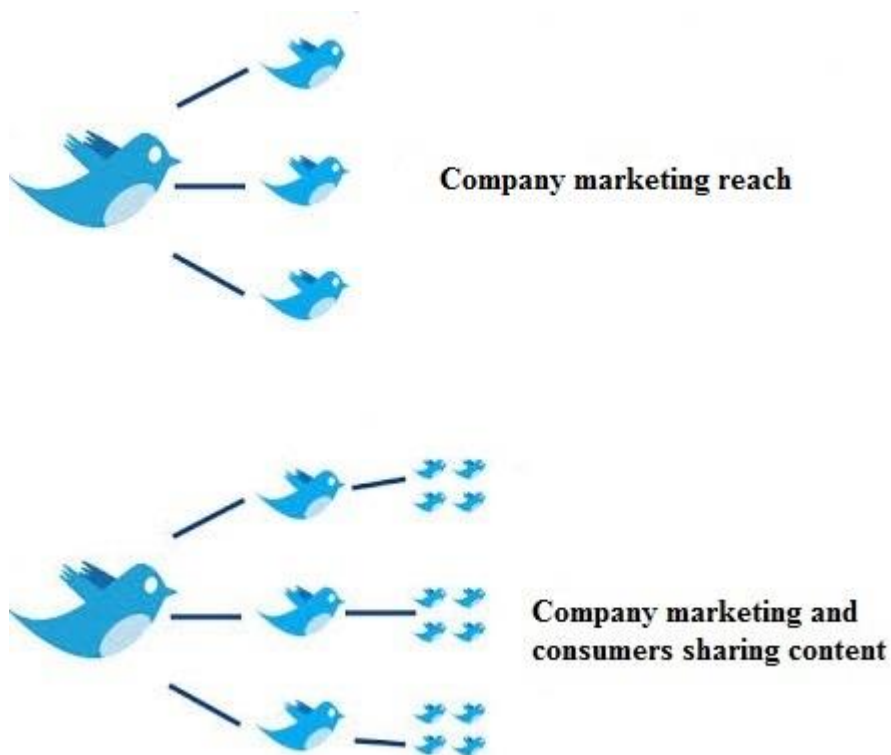


Figure 2. Marketing and eCRM reach. (Adapted from Evans 2008, 130)

As Figure 2 demonstrates, that it is beneficial to tap into the potential of the consumers to spread the marketing efforts of a company further. However, if company is prepared to head to social media, they must be ready to give up control of what direction the discussion will take, as explained by Evans (2008, 132). With proper social media strategy, time taken to work on social media, a business can find it profitable endeavour for eCRM and long-term revenue. In the other hand, there are dangers involved that can

work against the public image the business wants to display. Bernoff and Li (2008, 40) reason that giving up control should be accepted as part of social media phenomena. However, Bernoff and Li (2008, 40-41) state that having a strategy to social media with flexibility allows companies to manage discussions and possible dangers involved.

As the theoretical discussion by now has demonstrated, entering and maintaining social media interaction for company benefit is not a simple task. Therefore it is best to divide aspects to company to consider into smaller factors. Kietzmann et al. (2011, 241-250) introduce Honeycomb-model that defines social media by seven factors and explain these factors how companies should approach social media. The honeycomb model of social media, firstly, divides the social media to social media functionality from consumer perspective and secondly its complicity for firms. By investigating each factor separately, better understanding how these factors influence consumers and company can be structured as illustrated by Kietzmann et al. (2011, 243) in Figure 3.

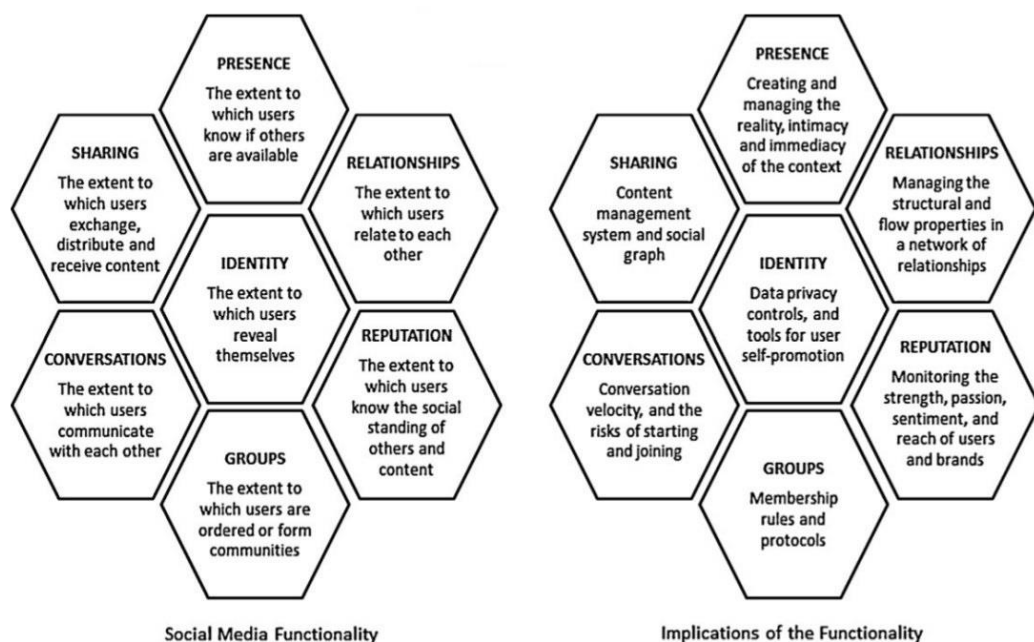


Figure 3. The Honeycomb of Social Media. (Adopted from Kietzmann et al. 2011, 243)

In the social media functionality model, the identity refers to the user's scope of revealing their identity. What personal information are shown in that social media platform. Different social media platform require different extent to reveal personal information, in traditional sense they can be considered replacing business cards. For

companies, identity factor presents data that can be collected for the benefit of the company and how it can be used by companies to define market segments. (Kietzmann et al. (2011, 243-244.) Dahlström and Edelman (2013, 3) point that the data collected by companies can be used to customize services and products for the consumers. Furthermore that data can be used to create more customer focused company and reduce wasting resources as demonstrated by Bernof and Li (2008, 36-42).

By Kietzmann et al. (2011, 244-245), in the social media functionality model conversation stands for the depth of users communicating with each other's. Most of the social media platforms are built to provide means for their users to communicate together. For a business it means the number of conversations happening in different social media platforms. In addition, it means that there are different regulations to facilitate discussion. Depending on the platform the speed of conversation taking place can vary and understanding the speed can be important for a business to know when and when not to get involved is important. (Kietzmann et al. 2011, 244-245.) Dahlström and Edelman (2013, 2-3) argue that there are four main aspects that customers are interested when it comes to social media communications as follows:

1. Interactions should be possible constantly regardless of the location.
2. Try new applications that combine variety of information and make their life easier.
3. They assume companies know about them and that services or products are customized for them.
4. Interactions between audiences should be simple and straightforward without any great contributions.

Hanna, Rohm and Crittenden (2011, 272) state that by creating a unique approach to engage audience allows more consumer specialized engagement. Most importantly by being unique, a business avoids being boring to the audience to interact with as Hanna, Rohm and Crittenden (2011, 272) further expand.

Third social media functionality model sharing by Kietzmann et al. (2011, 245), stands for the scope the users share content between each other, the audience having a purpose to interact with each other. Despite users being able to share content among themselves,

Kietzmann et al. (2011, 245) clarify it depends much on the social platform to what extent the users want to build relationships with one another. Kietzmann et al. (2011, 245) explain that for businesses sharing factor refers to understanding what brings their audience together and how to keep that audience together. Bernoff and Li (2008, 38-39) recommend a business to be the one to initiate conversation by sharing content, later on being a supportive member that facilitates the conversations that content sharing creates. Mangold and Faulds (2009, 361-362) demonstrate that by enabling an audience to share content, the audience feels more engaged and have a sense of belonging.

On top of the honeycomb-model by Kietzmann et al. (2011, 246) is presence, which refers to user's ability to know accessibility of other users. This availability can refer to both location-based and online availability information. For companies presence means taking notion of users availability in the social media used. Presence is connected to conversation and relationship factor, as stronger presence in social media platform may relate to influence of conversations and relationship building. (Kietzmann et al. 2011, 246.) Juslén (2013A, 55-56) brings up social graph term, which refers to social media gathering information about their users that can be used by marketers to focus their marketing. Moreover, Benoff and Li (2008, 38) place emphasis on being present enables businesses to listen and interact with their customers.

Relationship factor refers to how the audience relate to others, what are the factors that make users to interact with each other. The social media platform, in large by its functions, determine the approach of its users interacting with one another. It is to be noted that in social media platforms where identity factor is not important, tend not to result in relationship building either. For businesses it is good to understand the roles of audience members, the more in center they are in the network, the more likely they are to have more power to influence the said networks. A business taking on social media approach to CRM need to understand what they can do to construct relationships. (Kietzmann et al. 2011, 246-247.) Hanna, Rohm and Crittenden (2011, 272) illustrate that functioning in social media is about relationships and not necessarily about budgets. Mangold and Faulds (2009, 361) bring up a point of the audience desire to network with people who share their interests, for companies it could present relationship building opportunities to facilitate conversations of their area of expertise.

With reputation in the honeycomb-model is meant the ability to recognize users own position within the social network. Often reputation is based upon trust of the audience to one another. Different social media present different means to recognize trustworthiness, for example LinkedIn uses endorsements and Facebook uses likes. For businesses this means building a reputation and recognizing that their actions are basis for the audience to construct trust. Therefore a business should find appropriate means to assess its reputation and means to build that reputation among its desired audience. (Kietzmann et al. 2011, 247.) When working with social media it is important to pay attention to avoid making the audience view your content published as spam, as it effects negatively to the company's reputation. Social media reputation is something a company builds with time and persistence. The aim of having reputation in social media is to get audience to click and spend time with the content the company shares. (Evans 2008, 156-157.)

Groups' factor in the honeycomb-model refers to user's ability to create sub-groups within the social media platform they operate in. Tools to create sub-groups enable audience to manage their own relationships and profile. Reasons for creating groups within social media platforms can vary from pursuing a shared agenda, to communicate with several individuals sharing same experiences, or to simply have a sub-forum where to discuss without the traffic of other interaction in that social media. (Kietzmann et al. 2011, 247-248.)

3.4 Facebook Marketing

In Sub-chapter 3.2 Social Media was discussed as a phenomenon and from the point of view of marketing. In following chapter the thesis work will be focusing towards explaining Facebook as platform and how it functions for companies. Figure 4 by Kietzmann et al. (2011, 248) bellow demonstrates the implications of Facebook functionality.

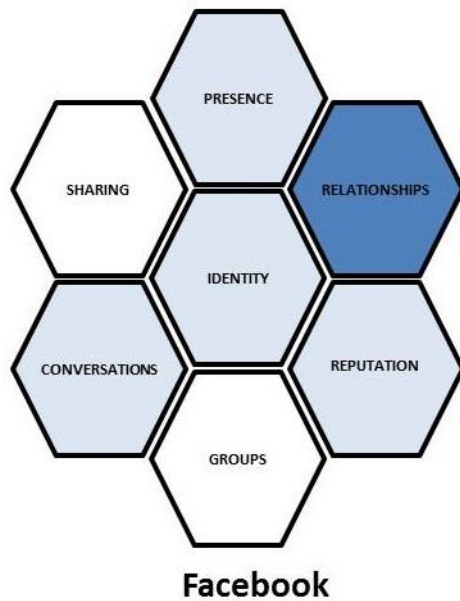


Figure 4. Implications of Facebook functionality. (Adopted from Kietzmann et al. 2011, 248)

Kietzmann et al. (2011, 248) illustrate with Honeycomb-model the main functional areas of Facebook. Facebook places heavy emphasis on relationships between its users, asking another user to be a friend needs first be requested and secondly, be accepted. Facebook is about networking with other users and building a network of connections. Identity of the users is important, as users tend to use their own names, or they make the connections they know their identity. Facebook enables its users to interact with each other's via likes, sharing content, posts, chats and groups, thus placing importance to conversations and understanding reputation between each other's. Facebook user's share their identity and connections within Facebook, however, they pay attention how their personal information is used. (Kietzmann et al. 2011, 241-248.)

As Facebook grew into largest social media platforms today, companies became interested to follow the customers. Facebook offers its users free profiles, both for companies and public users. Facebook initially was not developed for the use of marketers, but slowly grew into offering services for them. To ensure growth and free profiles, Facebook uses payable marketing tools for revenue. Today, most companies have some degree of Facebook presence. (Juslén 2013A, 20-23). Facebook offers good platform for marketers to focus their marketing campaign's to targeted customer groups.

By buying marketing from Facebook, marketers can use Facebook's profile information to focus marketing. (Juslén 2013A, 53-54.)

Facebook attracts potential advertising companies inside with free and few management tools. Once the companies are using Facebook for marketing, it is easier to get them to use payable marketing services of Facebook. Throughout Facebook's existence, the company has been removing free and too efficient tools from marketers. (Juslén 2013A, 21- 22.) To create a company Facebook profile, the company profile needs to be attached to personal Facebook profile. The personal Facebook profiles can then be managed to have different terms. (Juslén 2014, 17.) When creating company Facebook profile, the host needs to determine the type, name, address, region, postal number and phone number of the company. The name of the company can be changed later, but only before company page likes are under 200. (Juslén 2014, 19-22.) Recommended is that company provides a small description of themselves and fill the page with photos of their company and services and products. Providing a description, photos and cover photo for the company, a monitor can make the Facebook more appealing for the other audience.

With social media and especially with Facebook, there are few options for having free marketing, viral marketing or earned audience (Juslén 2013A, 23). Viral marketing refers to phenomena's where add, video, photo or any content starts to spread without even paying for it. Other users ensure the content spreads forward and catches attention of other Media. As an example can be taken vlogger Sara-Marié Forsberg with her demonstration of languages in youtube. The video caught attention of the crowds and quickly spread like wildfire being shown in news around the globe in 2014. Earned media refers to users who freely and actively follow and share content in their Facebook. It should be noted that building social media marketing methods solely on free marketing tends to promise poor results as explained later on.

When using Facebook, the most important feature visible for audience is timeline of the page. Timeline functions as the front page of user's Facebook. When new posts are made, the timeline automatically places them at the top of the list. By scrolling down, user can scan previous posts made. (Juslén. 2013B, 11.) For marketer there are number

of activities that should be followed closely: Level of activity to update posts, content of the posts, number of audience liking the page, the amount of engagement and discussion raised by posts and the content of the responses of the audience on the published posts. (Juslén. 2013B, 10.) Like with any marketing campaign, it is important for Facebook marketer to understand the goals of their work. By establishing goals for marketing campaign, a marketer has clearer understanding how to get there.

Receiving interaction from the audience is the fundamental part of Facebook marketing. EdgeRank-algorithm follows user's interaction within Facebook and adjusts the shown content by the interests of the user. (Juslén. 2013B, 11.) Kananen (2013, 124) explains that EdgeRank-algorithm defines the content shown for the user automatically through, at least, three different means. First factor defining the content is called affinity, it relates to how often a person visits other user's pages or pages of interest and how often the user interacts with the other audiences. This creates the algorithm to have a preference of showing particular content based on the user's interests. Second factor is edgeweigth, different content published in Facebook have varying value. The value of a post prefers posts with visual content, like photos, videos or links, gaining a better visibility. Depending on the used device, connection, behaviour of user and other unrevealed variables of Facebook's EdgeRank-algorithm, the Facebook aims to offer best content for its users. Therefore, the content of published should be diverse for best reach. Third factor involved is time delay, it checks how much time has passed since the publication of the post. Therefore, there is an advantage to know when the aimed audience is most active in Facebook, to increase the likeness of reaching them. (Kananen. 2013, 124–125.) Without interaction, the time and effort placed into Facebook marketing are wasted. Marketer successes happen because the marketers get the audience to interact with them. Marketers should not just promote products and services, but offer interesting, useful, engaging content and direct traffic to their own webpages. (Juslén. 2013B, 14-15.)

Once the goals for marketing campaign has been established, for example: gathering audience to follow, like, engage them or to market a product or service. It is better to post content without offers to gather interest and followers. By publishing interesting content for the audience, they are more likely start actively follow up the new posts

made by company. After audience is following actively the published content, there are better opportunities for marketing offers. Marketing in Facebook needs to have posts made often, as they can easily get lost in midst of other published content within Facebook. Important factor for Facebook marketing is to engage audience to take action, whether it is by having them leaving feedback, directing traffic to your webpages, by clicking the link, liking or sharing the publish content further. Therefore creating contacts via Facebook is the one of the largest marketing opportunities. (Juslén. 2013B, 15-16.)

There are variety of campaign purposes: gathering audience to follow or like the pages, to engage the audience or to purely market a service or a product. Different goals may call for different approach from the marketer. It should be taken into account that by simply focusing on promoting offers from the company, they are less likely to gather audience to follow their Facebook-pages. (Juslén 2013B, 17-19.) First course of action is to define what differentiates a business from the competition. To help businesses to form their unique standing, it helps to write Unique Sales Proposition (hereafter USP). USP can be defined by focusing on certain customer segments, having unique product or service and to quality of the product or service, to name but a few ways. Regardless of the core of business USP, this helps to define what the business wants to message to the audience through their Facebook marketing. This USP can introduce to the audience in forms of stories or discussions. (Juslén 2013B, 20-21.)

People working to use Facebook as marketing need to be aware of the community standards that Facebook works to maintain among its users. In addition, for marketing purposes there are set of rules that need to be followed enforced by Facebook. (Kananen, 2013, 129 & Facebook, 2015.) Kananen (2013, 129 – 130) demonstrate six rules regarding Facebook marketing as follows:

1. The use of capital letters in the entire published content is not allowed.
2. Writing a single word in capital letters is not allowed.
3. The content published must have information regarding the company.
4. To attract audience with empty promises for example: discounts, is not allowed

5. The published images must be related to the published content and follow the general good taste.
6. Text must be grammatically correct.

Writing with capital letters is prohibited because it gives the published content better visibility and as it breaks the general norms of writing. A word written in capital letters remind of a spam post and therefore is discouraged. The information of the company advertising must be available in the post. The good taste refers to: Firstly, following country based regulations on intoxicating substances and in general not advertising through illegal products, services or actions. Secondly, writing a single word with capital letters reminds of a spam and therefore is not preferred. (Kananen. 2013, 124-125.) Thirdly, advertisements must follow the Facebook Community Standards, as explained Facebooks advertising policies (2015), and may not contain content that: violates audiences or separate party's rights, is classified as an adult content, is shocking or violent, suggests personal attributes, is false, exploits disputed political or social issues, contain flash animations or videos that open without interactions, non-functional webpages, connect to or link to harmful software, spyware or malware, includes bad grammar or images that display false functionality. (Facebook, 2015.) Juslén (2013A, 22) points out that Facebook adjusts its regulations and functions without discussing with its users.

Maintaining Facebook marketing requires constant work. In addition, to work, it is difficult to outsource and more often than not, needs an employee of the business to be assigned for it. Activity remains as the key issue in Facebook, lacking posts means there will be less interaction and therefore the audience will see less of the content published due to EdgeRank-algorithm. Business should create a content plan to keep up with publishing content and this content should be as engaging as possible. The content plan enables a business to keep track with how often they publish and what kind of information they publish. (Juslén 2013B, 21-22.) The content plan can be integrated with the purpose of eCRM and marketing.

4 ANALYSIS AND FINDINGS

4.1 Small Business Environment

In order to build analysis for the case company Parturimo Herman, it is important to understand the concept in which the case company wants to operate in. Therefore, in this chapter will be findings of the case company's working environment, approaches and competitive plans. The entire content is available for the University personnel, but part of the content is left out of the public version, due to the parts of the information is classified as confidential.

“In this industry, it is all about how you can sell yourself to the customers.”

-Interviewee

In the hairdressing industry it is extremely important to be able to sell your competences and business. The industry has low entry level for new businesses and is highly competitive due to the number of businesses in it. Moreover, the industry has low differentiation from the competition, as the services and products tend to be similar to each other's in every store. Means to differentiate are done through price, quality of work and range of services. Especially in small cities like Kemi, it is important to be willing to take every customer that comes and in the long run, be able to maintain those customer relationships. The industry is about managing customer relationships and communicating competences to build new customer relations. In small businesses it is common that the business is defined by their owners and owner changes can mean the end of the business. Often small business hairdressers feel ownership on their customer base, which can spark friction between employees in the same company. For hairdressers the challenge is building their customer base, as for customers it is easy to switch to other company with superior quality or more affordable price range, if there are nothing making them want to remain. One of the characteristics is that the industry work is season based, during spring and December having usually more work than the times in between, safe some holidays in between.

Currently in the case company there are three people working as hairdressers and a masseur. The owner of Parturimo Herman has actively been building the case company as a whole family hair salon. Strengthening the woman hairdressing services, while attempting to establish a welcoming atmosphere that by her words are defined as follows:

“When customers come to us, I want them to know they are getting high quality service and that they feel coming to us is as easy as going home”

-Interviewee

The business owner has always worked to ensure that the customer service remains strong with the quality of work. The owner welcoming her customers to experience other hairdresser’s services, knowing that if they do not return, there is something to be improved in her own work. Mrs. Eskola wants her customers to know that regardless of the hairdresser in her company doing the work, they will receive quality work.

As one of the former employees contract was determined last year, the work amount increased and made the staff to forget the previous goal . A new member was then hired to the group as an apprentice and now the case company is again planning to invigorate previous plans. Recent contract change from Goldwell to Wella is to strengthen these plans.

During the move a masseur had a contract made to the case company, operating within the company premises as an independent chair renter, but getting benefits of already established reputation. The masseur had many of the case company’s customers become her customers, while the case company received one more to pay the rent and more importantly expanding the services provided. Through observing it came clear that the masseur has separated webpages and Facebook page for the massage business. After discussion it came clear that the masseur had not previously thought of integrating the social media functions while pointed out that they are not often updated. In addition, would not mind considering integrating to the case company pages. While agreeing to the benefits of the integration, there was two clear concerns: Firstly, if the situation

changes and the masseur would no longer operate in the case company premises and would lose the gained audience. Secondly, would functioning under the same company name, while technically being two different companies, confuse the customer base.

As a small business the company has limited resources to focus on other activities than the actual hairdressing work which brings the revenue to the business. The case company relies much on traditional marketing methods, like magazines and just two years ago included Facebook-marketing. While none of the staff members had extensive understanding on how Facebook-marketing works, they started using it on irregular basis. First Facebook-account had been mistakenly created as a personal user account, which was later fixed. As the company operates with limited resources, the staff members own competences play a large part in it. None of the staff members have previous training through their professional studies with Facebook, their understanding based on the use of their personal Facebook account. The case company has not tested the benefits of buying marketing services from Facebook, having not had proper understanding over it. In addition, the case company does not have proper tools provided to cover taking photos of the finished work. One of the issues that were stated was the lack of noticing to take before picture after the work had been done, to demonstrate the change the customer had through the work done.

“Maybe that we could pay more attention to remembering to update Facebook daily. Maybe it would mean to scheduling time just for updating the pages.”

-Interviewee

While the business owner has stated interest to test new methods to ensure business growth, the challenges for the activities are lack of structured planning, limited resources, partly the attitudes towards Facebook-marketing and time management. There are no written documents on the case company plans, during the research work there has not been meetings arranged within certain time frame but are left irregular. The staff member's attitudes towards Facebook as a tool for marketing seems to be mixed. While in interviews the staff members all state it would be beneficial to understand it better, during the research observations it seems the underlying motivation seems negative towards the Facebook work mainly because of lack of knowledge to use

the platform and being intimidated to use it without knowing how. The company owner has stated to have enabled the employees to book time for meetings if needed, meaning there is a possibility. During the interviews was mentioned a need for schedule time for just manage the Facebook pages the company has. The company activity level within Facebook, while having increased during the research work, remains irregular.

4.2 Content of the Case Company Social Media

In the following chapter will be discussed the case company's approach to marketing and the content shared in social media. In order to show the current situation of the case company's social media marketing and the message conveyed. The content posted is taken from time between 1st of October 2014 till end of April 2015.

17 of January 2015: -"Do you or your friend have a problem with curly hair with-out control? Now would be an opportunity to get help for the problem as Annika needs show work customer for straightening permanent. This treatment is entirely free! The hair should be untreated and max the length of bob haircut. Contact us soon or let your friend know of this opportunity, one you know pained with curls. □ "

The first area of largest content published with around 41% of all posts, consists of training or education posts. These posts content include haircut training session arranged by outside organizations and most of all staff members' professional studies trainings. One of the posts include content posted about nutrition lecture, not related to the industry of the case company directly. The post regarding curly hair treatment for free has the largest reach of all posts made by the case company during the time scope included in this research work. The purpose of these posts is, firstly, to let the customers know when the case company has day closed for training purposes. Secondly, to have arrange staff members heads for hairdressing training sessions. Indirectly, these posts disseminate information about competences to the customers, something which has not been the original intention.

18. February 2015: -"Due to spring, all Schwarzkoph's products 10 euros per product. Pick your own already today!"

Second most type of content published by the case company is offers and training or education. Published content regarding offers by the case company is around 33% of all content posted in the case company Facebook page. The offers tends to include discounts of products or services. The offer posted at 19th of January stating in capital letters that it is an offer has least reach in comparison to similar posts, even when it was posted twice. The post of 18th of February about Schwarzkoph's products offer has strongest reach. Most of the offer posts purposes is clearly aimed to increase sales.

13th of November 2014: -"In respect to the approaching winter, we are raffling photos lovely mittens and knit cap! Like this and tell what makes you smile during the dark time of the year. And of course, you're welcome to share this publication. Time to participate you have till Thursday 20.11."

The third largest category of published content is shared position by raffles and results of work, each with approximately 12.5% of all posts. There is only one raffle arranged during the timeframe of this thesis work. The published content all referred to the same raffle. By staff members the attempt was aimed to generate interaction and gather audience. The work results are followed with a photo of the work done by the hairdressers. The intention of these posts has been to communicate the services available and the competences of the hairdressers. The staff of the case company view communicating competences important. However, often the issue of time and remembering to take a photo of the work done makes it hard to keep up with new updated photo albums in Facebook.

Last groups of the content published, firstly, are about the case company having closed doors in particular days, having 8.3% of the total amount of posts made. Secondly, season greetings with 4.1% of the total content published. The aim of these posts is to inform audience of special days when services are not available. To avoid customers making the trip to the case company during these days. With season greetings to spread good will to the audience in behalf of the company.

4.3 Knowledge Level on the Use of Facebook in the Case Company

In the following chapter will be discussed the case company's staff members knowledge of Facebook. Firstly, examining how familiar the case company members are with Facebook. Secondly, examining what is the perspective of Facebooks use as a tool in the case company.

During interviews with the company staff members, it became clear that the case company's staff members did not have an extensive understanding of the use of Facebook as a business environment. The case company went to Facebook without much familiarizing themselves with the regulations and Facebooks Community Standards. While the case company's actions did not break the Community Standards of Facebook, they have broken few regulations set by Facebook on marketing. Mainly the use of capital letters in advertisements. While it has not been intentional to break these regulations, Facebook holds right to remove company pages entirely if it sees that a business is breaking them.

The case company personnel all keep the Facebook platform as just another marketing channel. Moreover, their intention has been gathering likes and potential customers through Facebook. The possibility of using it as a channel for disseminating information has not been something the staff of the case company had considered previously. In addition, the idea of working as information channel interested staff members and just wanted to know how that could be carried out. The case company owner states that the Facebook intentions are communicated unofficially often enough and shared by staff, the staff member's state otherwise. Furthermore, the case company has placed the management over Facebook mostly on one staff member, while others assist with it at times. The owner leaves the younger staff members to handle Facebook, stating that their knowledge with it is better.

4.4 Analysis

As Social Media has grown to become one of the most influential means of interacting, marketers are wanting to follow this trend. However, some businesses face challenges

with their approach within Social Media, large negative impacts resulting in decrease in sales. As the Social Media works on basis of interaction, the transaction way of approaching marketing is less influential. This research was conducted for case company Parturimo Herman and their need to understand how Social Media could better be used for increasing sales. In addition, the Social Media platform this case research focuses on is Facebook, which is the platform used by the case company. Instead of the thesis focusing on transaction marketing, by integrating CRM approach to the social media strategy it brings more long-term value to the case company. The outcomes of this thesis work are valuable for the case company. Through the theoretical review and empirical data analysis suggests the case company better approach to their Facebook efforts and provide them tools to maintain it themselves after this research work.

Firstly, during this research work the case company's staff's familiarity with the Facebook platform and how it could be used for eCRM is investigated. Through the research work it was found that the case company has limited understanding of the Social Media platform they operate in. Based on literature, there are great dangers involved if company does not understand the platform they are working with, not to mention the possibility of wasting efforts. In addition, the thought of utilizing more eCRM through Facebook had not surfaced among the staff prior to discussing it with the researcher. The staff seemed receptive to the idea of strengthening eCRM approach instead of focusing on transaction marketing. Considering the current economic situation, customers are more open to look for more affordable businesses, therefore strong CRM helps to keep the customers to the company and attract new customers. As literature review showed, a business should avoid transaction marketing as it is often seen as spam by the audience. Moreover, a business should be careful with its approach and a content plan would help to streamline the efforts in a long run.

Secondly, the internal perspectives of the staff within the case company to the current marketing approach in Facebook is studied. The case company has mixed attitudes towards Facebook marketing, while agreeing verbally to the benefits and need to use it more, the observations seem to suggest that there are negative indications to wanting to place more effort in learning use of Facebook. The case company views Facebook as

just another channel for carrying out their marketing. The literature review suggests that while marketing can reach people, it is often one-way method. Moreover, the theoretical framework points out that Social Media concept works best on basis of interaction and engagement. By carrying out one-way marketing, the case company is actually losing much of the benefit of Social Media, which is audience becoming part of the process to reach others. In addition, the case company has no fixed times to handle Facebook marketing and as empirical data demonstrates, it is carried out when remembered to do so. Literature sources tend to all speak against irregular updating and explain that in order to be social, the company needs to have regular activity level within Facebook. Moreover the EdgeRank-algorithm works against irregular activity. While the case company views the Facebook as just another channel for marketing, they are already carrying out approach of eCRM in it.

Thirdly, the means for case company to improve their eCRM in Facebook are suggested. Therefore, it is suggested to the case company to arrange regular times in their timetables to ensure that publicity is held. As there are some negative views within the staff of Facebook marketing being time consuming. The Facebook work should be split between the staff members more equally so there is time for doing the operative work that brings revenue and to manage Facebook marketing by each of them. Instead of viewing Facebook efforts as marketing, they should focus on more of eCRM approach. The case company has strong customer satisfaction and is customer-oriented in their approach, this should be brought up in their online environment. Suggestion is that the Facebook channel is developed more into information channel, which customers can follow and benefit from personally. The literature review demonstrates that people are more interested to follow and interact with content that has direct benefits for them or is about their interests.

Moreover, the case company operates in service-oriented industry, in which communicating competences is most important aspect of acquiring customers. The eCRM approach suggested by this thesis would have following benefits: Firstly, offering content interesting to the audience to interact with and follow which would build up the follower base and increase the reach of marketing. Secondly, by providing industry-related information, tips or news, the staff is communicating their competences to the audience and building trust, not to

mention keeping up personally with the industry trends. Thirdly, it would work to strengthen and build new customer relationships in a field that relies heavily on CRM to maintain customer base.

5 CONCLUSIONS

5.2 Conclusions

This research work looked into managing eCRM through Social Media in a Small Business environment. This research work was done for case company Parturimo Herman, which represents classical service-oriented business in a local market. The research started by literature review and following the case company's actions simultaneously. The build theoretical framework was used to analyze the empirical data to achieve the objectives of this thesis work. The outcome of this thesis work suggests the case company to make a content plan for Facebook publication and to change the approach from marketing to eCRM concept. In addition, the thesis does not provide already made strategy for the case company, as it is better in the long run for the case company staff to be able to manage and build their own strategies, being involved in the process creates understanding and sense of ownership and commitment to the process. Furthermore, the researcher of this thesis attends a meeting to explain and show the staff member's different tools within Facebook and explaining why developing information channel would be beneficial for the case company. Due to close ties between the researcher and the staff members, the researcher will be providing assistance with the case company strategies and approach after the thesis.

To achieve the objectives of this thesis there was three research questions to achieve the purpose of this thesis. Underneath the answers for those questions are provided starting from the third research question and building up to first, due to the hierarchical structure to help answer the first research question.

Third Research Question: How familiar are the staff members of the case company with the Facebook platform for CRM purposes?

First problem of the case company Parturimo Herman faces with their understanding of Facebook platform. When the case company went to operate social media, they had not sought out to understand Facebook as a platform or set any written goals to their

approach with it to begin with. While the case company has increased its activity within Facebook during this research work, the underlying issue of lack of understanding can be seen influencing their approach in Facebook. Having had issues with the Facebook account and mostly having considered Facebook as just one more way to market the business to increase sales. In addition the case company has not used paid advertising even once to boost their marketing efforts.

The case company faces issues of limited resources while having greater control over their business. In the case company industry the operative work is of greatest importance to bring in revenue and keep the business running. The personnel are forced on providing the quality work due to the nature of the industry. Even during the training, there is not much emphasis on marketing or communicating competences to customers. Which is the fundamental part of any small business and especially for hairdressers for building customer base in a service-based industry. However, due to the greater control that small business have over their operations, it is a matter of management to ensure installing new practices. These new habits include regular Facebook updating, taking photos of work and dividing the work between staff.

The case company personnel have limited understanding on the Facebook platform and how it can be used for marketing and what tools are there. Mainly this lack of understanding has been due to the lack of efforts to read and find about the tools involved. Facebook offers introduction to their tools and the staff has not looked into it, instead approached it much like a personal account in Facebook. The EdgeRank-algorithm works to better target the publications for most efficient times of the day. This lack of effort to understand the platform is explained to be due to lack of time. However, it seems more of an attitude problem to bother familiarizing with the platform. During this research work the researcher has explained issues the case company has had and seen them increase the activity and adjust their approach.

The case company staff members all admitted they had not considered the possibility of CRM approach, instead of having focused into marketing and increasing sales. While the CRM approach is clearly visible in the vision and mission of the case company, it is not implemented within Facebook as a focus of their marketing efforts. Instead, the

focus lies in increasing sales, which is counter-productive for the purpose of establishing eCRM. It is advised to avoid offer or sale-focused publishing as it is being viewed as spam by audience and can be counter-productive for building audience base. The intention within Facebook is to have people follow the business actively, something that the case company tries to achieve. To achieve active following can be reached by eCRM, by providing the audience a reason to follow. Without an active audience to follow the case company on Facebook, the effort placed there are partly wasted. After May 2015, the case company has started publishing content more regularly and focusing on communicating competences instead of focusing on sales and offers. The change in published content and publishing regularly has increased the number of people actively following. Additionally, the reach of the published content seems to have increased.

The case company had not considered Facebook marketing more than marketing, which made them focus mainly on one-way communicating and informing audience of their events and services. Considering the purpose of eCRM and the desire of the case company, it would be better to view Facebook marketing as Facebook eCRM for reasons as follows: Firstly, it provides the audiences a reason to actively follow. Secondly, the whole purpose of CRM is to build and maintain trust with customers, which in turn attracts customers. Thirdly, CRM incorporates the idea of marketing, while making it more customer-centric approach. Four, the social media is built so that it places interactions as its core activity, thus enabling the masses and disabling the marketers. Fifth, strong eCRM with satisfied customers makes the audience there to become a free and beneficial contributing part of the marketing for a business. Placing the customers to foreground and giving them potential to influence and see services and products they want and need. The company is more prepared to listen and tap to the demand of the markets and serve them. In result, the combination of these factors potentially result in increase in sales.

By focusing a change from marketing approach to CRM approach, the company has potential to strengthen the relations of existing customers and build new ones. When customers become closer, there is a chance they start to spread positive word of the company and reaching larger audience. Therefore, the case company would benefit more if they would develop more into information channel concept which interacted

with the audience, instead of simply marketing to it. In conclusion, the case company staff has not considered the potential to use Facebook pages as means for eCRM.

Second Research Question: What is the internal perspective in the case company's approach to the use of social media as a tool of marketing?

The largest problem of the case company with Facebook marketing lies in the approach they have. The literature reviews advice against going to social media without any prior planning and understanding of the platforms used. The case company to this day has not made a draft of goals or general guidelines to approach to Facebook. The issues that come are that the different persons doing the work have different understanding of how it should be done. It is common in small business to have unofficial approach to work, planning would help to ease the task of Facebook marketing. There seems to be a contradiction in how the owner and the staff members see the Facebook approach communicated. This issue should be looked into and have a written guidelines drafted as a group for having everyone on the same page.

The staff members have had problems with developing content to publish and the lack of understanding on Facebook makes the task burdensome addition to their daily work. If the work is viewed negatively, it is even harder to come up with content to publish. By preparing a content plan with directional content themes, the staff has time to prepare and decrease the challenges of developing content. In addition, it would increase the uniformity of the published content and streamline the case company's efforts more efficient. In the current form the case company has divided the task to certain individuals, while they negotiate content, at times, together. The problem is that they view lack of time being an issue, by planning ahead, they could arrange a time to handle social media marketing regularly. Moreover, it would be beneficial if each staff members would be more open to learning the use and managing of Facebook platform. Previously the case company had a habit of holding meetings in regular basis, but due to changes in the staff, the meetings were dropped. It would be beneficial to re-establish the habit of holding meetings, for planning coming marketing campaigns.

As the case company is a small business with limited resources for marketing, it is even more important to have efficiency in their operations. In the current approach, by posting when they have the time and remember to do it, they are more likely to waste the efforts due to the EdgeRank-algorithm. To increase the efficiency, content plan and regular basis of publishing are needed. Furthermore, the masseur has separated Facebook pages from the case company, which makes the two to compete of publicity against one another within Facebook. The reasoning behind the choice of approach is logical, but it could be beneficial for both to combine their efforts and work through same channel as long as they work in same space. The largest concern for the masseur is losing the gained audience if situation were to change. However, the masseur pointed out that the efforts placed in the Facebook channel are rather minimal to begin with and the customer base is already established. It would be best for the case company, in current situation, to combine the efforts and share responsibility with all its members. By sharing and executing Facebook presence together, the case company would have more constant publicity within the chosen social media.

First Research Question: How can the case company's CRM be improved through the use of social media?

As the case company currently has their Facebook approach viewed as just as one more marketing channel, they would benefit in differentiation approach.

. Through this vision they are attempting to differentiate from their competition and their Social Media Strategy could be integrated to support this development. Partly this integration would mean creating written plans by the case company how they are going to build and what are the steps needed to take to get there. Once the case company has a better understanding of the extent they want to be , the social media strategy could be written to support the change and development.

In the current environment the staff members are not used to take photos of the work done for the Facebook. By creating a habit of taking a photo of the work at the end of the session, with the permission of the customer, the staff members are able to build their portfolios of work. These portfolios convey to the customers the competences the

staff members have and a variety of the work they do. Moreover, by publishing photos of the work, the staff members have more content to publish, thus creating more of a continuum to publishing. By having a continuing and regular timing with publishing content, the EdgreRank-algorithm would work more favorably for the case company and increase the reach of their efforts. The main idea of the case company to work in Facebook is to gather followers who then become customers or continue as customers. The industry itself is all about communicating competences to the customers to attract them to try their services.

By eCRM purpose is to build brand and company image, the staff members should develop the social media approach more to information channel concept, instead of marketing one. By building an information channel, the case company can start to offer tips into health and beauty matters, which aim is to gather active audience. By providing useful tips to the audience, the pure marketing publication of the case company have larger reach and influence. In addition, the information channel of the case company area of services and products markets competences and knowledge, which in time can turn into trust by audience towards the case company competences. Through information channel differentiation, the case company staff members would have to do more work. However, the work done helps them to build CRM, gain customers and keep up with the recent and current trends in their field. In addition, as theoretical literature agreed that in eCRM the influence of customers is greater, therefore the case company should seek means to interact with them in Facebook. By developing the Parturimo Herman social media strategy more in line with the company vision and mission of going towards .

Through this research work the intentions have been to provide the case company tools to make their own social media strategy, instead of providing already made strategy. By providing them the tools and information on the concept of CRM and Facebook platform, they can later on adjust and better understand what they are doing. It has been agreed with the company owner that after the research work the researcher has a meeting with the staff members to explain them the concepts, benefits and drawbacks. In addition, going through the Facebook platform with them to show the staff members what tools there are and from where they can check the updates and regulations. It is

more beneficial in a long run that the staff members understand and know how to do the work themselves, instead of being given a prepared strategy on which content they have not been participating to create. Figure 5 below illustrates the benefits in short for the case company.

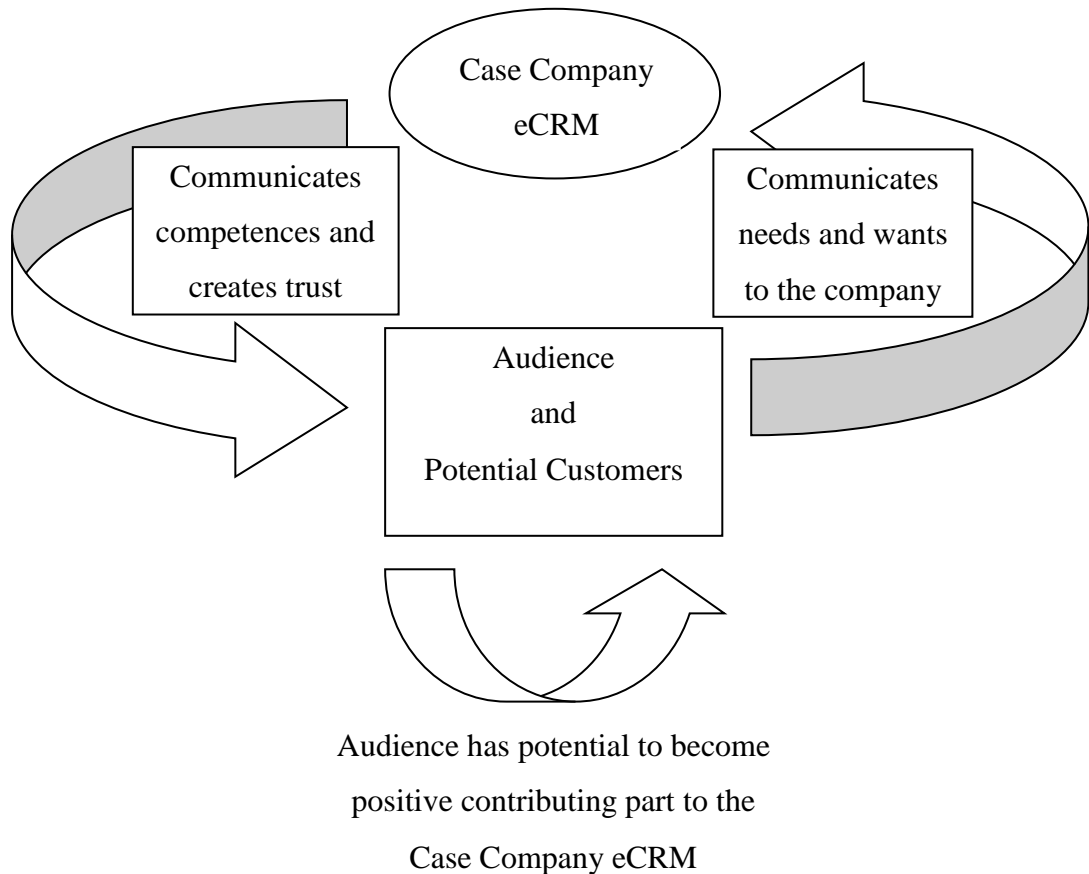


Figure 5: Customer-Centric Company eCRM and Benefits

By changing to active and effective eCRM, the case company has three major potentials. Firstly, the case company actively communicates their competences and build company image through eCRM. Secondly, through active audience there is possibility to tap into their needs and wants and offer them the services they want to buy. Thirdly, an active audience can become unofficial member of the eCRM chain by spreading word-of-mouth and content further than marketing alone could reach.

5.3 Suggestions for Future Research

During the research process it was found that there are other aspects of the small business activities that could be researched and could not be covered by this thesis work. In order to cover further research areas, this research suggests the case company to carry out further research.

First suggestions is to research external environment to see how the customers and general audience view case company's eCRM efforts, what content the customers would like to see and for the case company to tap into the interests of the audience for enhancing their eCRM. Secondly, the case company is recommended to research how to integrate the further into their business activities. The purpose of the suggested research work is to establish better understanding how to cater to the audience content that would cover their interests. In addition, to tap into the audience wants and needs to further the case company's business activities.

Secondly, the case company could research how to develop and maintain webpages without outsourcing the services. The case company currently has webpages and timetable for customers to book times for work independently, however, these services are outsourced and bring in costs. Through the suggested research work the case company could find means to lower the costs and have the freed capital located to other parts of the business.

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APPENDICES

Appendix 1. Semi-Structured Theme Interview Agendas

APPENDIX 1

SEMI-STRUCTURED THEME INTERVIEW AGENDA

- To learn the educational and professional background of the staff members
- To build understanding of the extent their background and how marketing and customer relationship management has been learned
- To understand what is the understanding of the staff members on customer relationship management
- To understand how well the staff members know and understand how Social Media operates
- To understand how well the staff members understand and know Facebook platforms functions
- To find out what future plans the case company has and how this thesis findings could be intertwined to assist realizing those plans.