

# CONTENT IS KING? EXPLORING THE EFFECT OF CONTENT MARKETING CAPABILITIES ON CUSTOMER RELATIONSHIPS IN SMALL FIRMS

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## EXTENDED ABSTRACT

Using dynamic capabilities theory, this study adopts a case approach to help understand how small firms manage customer relationships through the use of digital content in a marketing landscape driven by digitalisation. It has been over twenty-five years since Bill Gates first declared that “content is king”, and the statement has been widely embraced by many businesses as a means of steering their marketing towards acquiring new customers and engaging existing customers in the digital era (Chaffey and Ellis-Chadwick, 2019; Hanlon, 2019). With such prioritisation of content combined with the acceptance that small firms can compete with larger counterparts in an online marketplace, it is understandable that there is interest in the role content plays in today’s digital marketplace for small firms in managing effective customer relationships. In small enterprise research, content has been found to be an important factor in the development of customer social engagements with the brand (Gholston *et al.*, 2016; Guha *et al.*, 2018). Moreover, content shared by customers may help companies better understand customers’ needs and expectations (Eggers *et al.*, 2017). However, content marketing (CM), in a small firm context, remains a relatively under-researched topic (Ho *et al.*, 2020), highlighting a need “identify the most effective and efficient methods to generate and share content” for small firms (Kraus *et al.*, 2019; p.416).

Further, despite large corporations such as Google, Coca-Cola, and Johnson & Johnson prioritising their development of CM, academic research lags behind practice, resulting in a knowledge gap (Hollebeek and Macky, 2019). As such, while previous studies have identified the digital mediums, such as social media and websites, that are commonly used by small firms to deliver engaging relationships (Durkin *et al.*, 2013; Taiminen and Karjaluoto, 2015), very little is known about the relative contribution of digital content in the development and sustaining of customer relationships (Mansour and Barandas, 2017). According to the theory of dynamic capabilities, “the strength of a firm's capabilities is implicated when business model changes are translated into organizational transformation” (Teece, 2018; p.48). As a result, the CM efforts should be assessed on an ongoing basis to sustain competitive edge in the marketplace (Mansour and Barandas, 2017). To analyse how CM capabilities are enacted, this study adopts the four dynamic components of competitive advantage: (1) transit: to use CM as a driver for rebranding; (2) rationalise: to make substantive CM commitments; (3) optimise: to produce the optimised content; (4) accelerate: to optimise content strategies and practices (Ho *et al.*, 2020).

Given that the strategic imperative in market relationships is to engage in collaborative dialogue, previous studies have indicated that small firms may enhance customer involvement through the use of social media technologies (Cheng and Shiu, 2019). On that basis, digital technology is used as a raw resource to foster organisational transformation digitally. As such, studies have identified the growing importance of the linkage between social customer relationship management (social CRM) and small firm performance (Harrigan and Miles, 2014; Guha *et al.*, 2018). In addition, the content itself that is consumed and shared online can serve as a product or service for the brand, generating the value that “can engender deeper relational engagement” (Ho *et al.*, 2020; p.146).

This study therefore builds upon this base by exploring if and how CM capabilities may impact social CRM and in so doing lead to the development of engaging relationships between small firms and their customers. The effect of CM capabilities in this study is further conceptualised, and embedded within the two integrative dynamic components of competitive advantage: (1) customer engagement initiatives: bundles of interactive, varied, and regular communications and conversations; (2) social information processes: bundles of real-time, automated, and customised messages (Harrigan *et al.*, 2020).

A qualitative research design incorporating a multiple case study approach is used to provide a holistic understanding of the subject within its real-life setting (Yin, 2018). The locus of this study is Northern Ireland and the Republic of Ireland, over a period of twelve months (2020 to date), and it involves six case companies from the food service and hospitality industry, with fewer than 50 employees. Given the fast-moving nature of the digital landscape, this study adopts a longitudinal perspective to address the research questions, and undertakes triangulation of data sources (from interviews and analyses of digital content on social media and web sites) to capture the social reality in a comprehensive manner (Farquhar *et al.*, 2020). In-depth interviews were conducted remotely in a semi-structured form through Microsoft Teams to refine the conceptual framework. Digital content was collected using the NCapture tool. The data sets were also manually reviewed and updated in order to capture missing data. All data were then transcribed and coded into units of meanings through NVivo to help develop themes.

Whilst at an early stage, preliminary insights reveal that the case companies in this study find it challenging to generate engaging content ideas. More specifically, while small firm owner-managers may acknowledge the types of content that are the most engaging with their online audience, it is sometimes difficult to replicate the previous success of content creation. The case firms tend to learn from what competitors post and from observations from within their respective local areas. Most cases also indicate that social media is important in maintaining customer relationships. However, the firms' websites in this context serve as an information hub to provide updates and details of events to existing customers and prospects. The results show that small firms identify market changes and leverage content in order to enhance online engagements. This execution of CM can be considered to be a form of dynamic capability in small firms.

This paper adds to the literature on the effect of CM capabilities on customer relationships within the context of small firms. While many small firms may not explicitly acknowledge that they undertake CM, creating engaging content ideas has become part of small firm owner-managers' daily activities. Due to the pace of change in the digital world, the results suggest that small firm owner-managers need to constantly consider how to adjust marketing practices and strategies, including the management of online content that fits audience needs and interests, to engender customer engagement.

**[References Available Upon Request]**