Is Social Media Marketing a Necessary Evil?

By Eun-Kyong (Cindy) Choi and Inna Soifer

Introduction

The term Social Networking Sites (SNSs) refers to web contexts that enable individual users to post photos, videos, and text and to communicate with other users (Choi, Fowler, Goh, & Yuan, 2016), with some popular examples including Facebook, YouTube, Twitter, Pinterest, Instagram, and Yelp. The number of users of SNSs has increased dramatically over the last few decades, with more than 2.1 billion SNS users worldwide in 2015 (eMarketer, 2017). In the digital era, the traditional mix of advertising, personal selling, public relations, direct marketing, and sales promotions is no longer enough to effectively promote a business. As a new element in the promotional mix, social media marketing has been identified as one of the most cost-effective marketing strategies, because companies can easily open accounts on SNSs and promote their products and services without incurring any direct costs (Mangold & Faulds, 2009). These two-way communication platforms also allow casual conversations between companies and customers, as well as between the customers themselves (De Vries, Gensler, & Leeflang, 2012). The Returns on Investment (ROIs) of social media marketing have been widely identified by academic researchers and practitioners as developing relationships with customers (Kaplan & Haenlein, 2010), triggering positive word-of-mouth (Lee, Kim, & Kim, 2012), branding the company (De Vrie et al., 2012), increasing purchasing intention of the company's products (Choi et al., 2016), and building customer loyalty to the company (Baird & Parasnis, 2011).

Due to the benefits, major hospitality corporations (e.g., Marriott International) have hired new personnel for their social media marketing. However, small hospitality companies, especially those owned and operated independently, do not have the extra money to hire someone to manage their SNSs (Michaelidou, Siamagka, & Christodoulides, 2011). In the latter case, existing employees (in most cases, managers) take the additional responsibility of managing the company's SNSs, but many managers in the hospitality industry do not possess the necessary technical skills to manage their SNSs. Additionally, they lack the time needed to manage their companies' SNSs effectively, and have no training on what to post or how to respond to online comments (Michaelidou et al., 2011). Therefore, this case study

addresses the benefits of social media marketing, as well as the issues that arise in the management of SNSs by a restaurant, from the perspectives of the manager, the front-of-the-house employees, and the back-of-the-house employees. After reading the case study, completing assignments, and answering the discussion questions, students will be able to:

- Discuss the values and benefits of managing SNSs with an independent restaurant
- Identify the issues and challenges of adoption and implementation of SNSs by an independent restaurant
- Conduct supplementary research on social media marketing efforts by independent restaurants

Business Background

Giusy's Ristorante is a small, independently owned and operated Italian restaurant located in Manhattan, New York City (NYC). The 20-table restaurant, which serves lunch and dinner, offers authentic Italian food made with fresh ingredients, complemented by an extensive wine list. With a price range from $8 to $35, the menu features a variety of antipasti, soups, pastas, risottos, Italian entrees, and desserts. Fifteen full- and part-time hostesses, servers, and cooks work together to provide excellent service and delicious food to satisfied customers.

The owner and manager of Giusy's Ristorante, John, started the restaurant about 20 years ago. He never implemented paid marketing strategies to promote his restaurant because he had not seen the value of spending money on them. However, he realized that his competitors and other top-ranked restaurants of all sizes in NYC have used SNSs to reach out to their customers. Table 1 displays the usage of SNSs by the top five restaurants in NYC according to TripAdvisor as of March 27, 2017. All of them have been active on Facebook, Twitter, and Instagram and have received a large number of reviews from customers on TripAdvisor and Yelp. For example, Restaurant Daniel, the #1 restaurant in NYC on TripAdvisor, was reviewed more than 2,500 times on that site, and more than 1,200 times on Yelp. In addition, Restaurant Daniel received more than 700 likes from Facebook users and boasted about 900 followers on its Twitter page.

In order to keep up with his competitors and increase sales, John decided to create a Facebook fan page and a Twitter account for Giusy's Ristorante. In addition, he started checking user-generated content sites such as TripAdvisor and Yelp at least once a day to read

Eun-Kyong (Cindy) Choi is affiliated with University of Mississippi.
Inna Soifer is affiliated with University of Memphis.

Usage of Social Networking Sites for Top Five New York City Restaurants
Listed on TripAdvisor

Ranking on TripAdvisor	Name of Restaurant	Cuisine	Number of reviews on TripAdvisor[a]	Number of reviews on Yelp[a]	Number of photos on Facebook[ab]	Number of posts on Twitter[a]	Number of posts on Instagram[a]
1	Daniel	French	2,510	1,233	732	900	621
2	Gabriel Kreuther	French	226	182	178	388	311
3	Per se	French & American	9,067	1,224	249	917	288
4	Pisillo Italian Panini	Italian	384	328	300	N/A	95
5	Lincoln Square Steak	American	1545	396	274	75	227

a The numbers were retrieved on March 27, 2017, from each social networking site.
b The number of photos was presented instead of the number of posts due to availability.

customers' comments and respond to them.

Benefits of Managing Social Networking Sites

During the first few weeks of managing the restaurant's Facebook and Twitter accounts, John checked them several times per day and uploaded posts with photos that featured the restaurant. He reviewed every single comment on TripAdvisor and Yelp, and replied to each review by thanking the users for leaving comments. He also created special promotions valid only for SNS users to increase traffic on the restaurant's social sites. Some of the promotions included a free drink coupon for customers who became fans of the restaurant's Facebook page, and a $5 voucher for customers who became followers of the restaurant's Facebook page and Twitter account. In addition, customers received a 10% discount on their meal if they shared their dining experience on the restaurant's Facebook page or Twitter account. These promotions were beneficial in that they increased the number of "Likes" on their Facebook page and followers on their Twitter account, while attracting more customers to the restaurant without any monetary cost to the business. John felt that they also generated good publicity, with more customers talking about his restaurant online and increased recognition.

When John started managing its SNSs, the restaurant was ranked in the top 500 restaurants in NYC on TripAdvisor, out of more than 9,000, and as one of the top 200 Italian restaurants out of the 1,400+ in NYC. With active management of its SNSs, the restaurant has improved its rankings to become one of the top 200 restaurants in NYC, and one of the top 50 Italian restaurants in the city.

Challenges with Managing Social Networking Sites

After several months of managing and monitoring the restaurant's SNSs, including user-generated content sites, John realized that it was almost impossible for him to manage the restaurant's entire online presence alone, due to the substantial time and effort required on top of his regular duties. John also found that the restaurant's active presence on SNSs might generate some negative publicity. He noticed that on some SNSs, such as Facebook, a company could manage the content posted on its wall by deleting offensive posts and comments. However, the restaurant had almost no control over the content posted on user-generated content sites. Even though he strongly disagreed with some reviews, John could do nothing about them but politely respond to the guests by thanking them for their postings. Despite the potential drawbacks, John wanted to continue using the SNSs for his business due to the obvious benefits, so he asked the lead hostess, Amanda who was 20 years old, to take over its management. In the beginning, Amanda was excited about her new role, as she utilized SNSs every day for personal use, and felt comfortable with the various SNS platforms. However, she soon realized that managing business SNSs was different from managing personal SNSs in many ways. Specifically, the target audience for postings on the business SNSs was the general public, while the target audience on her own social pages was her family and friends.

This point was driven home when she uploaded a political post on the restaurant's SNSs, which offended some users who stated they would not patronize the restaurant anymore. Afterwards, Amanda was more careful with the content on the restaurant's SNSs. In ad-

dition, Amanda did not know how to properly respond to customer comments. She felt that her responses to negative comments should be different from the way she responded to positive ones, but she did not know how to differentiate between the two.

Amanda began to understand how John had felt in this position; with her responsibilities as a hostess, she was unable to devote the time necessary to properly manage the restaurant's SNSs. She was unsure when, or how often, she should upload posts to the restaurant's SNSs; and, when John expressed his interest in creating an Instagram account to appeal to Generation Y customers and generate more reviews on TripAdvisor and Yelp, Amanda could not imagine adding to the already unmanageable workload.

Issues at the Front-of-the-house

Though John believed that the social media marketing increased the number of customers, he soon realized that the average check per customer did not increase-but, the time each customer spent in the restaurant did increase. After careful observation of his employees and customers, John discovered that customers were spending extra time taking photos of themselves and their food, which extended their visit. Customers sometimes rearranged tables to get a better shot of their meal, and approximately 30% asked servers to take group photos, significantly slowing speed of service. Food would often be cold by the time patrons were ready to eat, and therefore sent back to be reheated. While John encouraged taking the photos and posting them on SNS, he did not expect this phenomenon. Adding to the extra time, several customers asked servers for help with connecting to the Wi-Fi and continuously checked their phones while eating. John was concerned about this trend, because he knew it was crucial for the restaurant to increase the average check per customer as well as the table turnover rate in order to boost sales.

Another undesirable trend was an increase in the number of customers who made unreasonable requests. One recent example was a couple who had almost finished their meal, and then complained to their server that their food did not taste the way it was described by others on social media, and asked the server to void the food charges. Unsure what to do, the server asked John to handle it, and because he was afraid that the customers would post negative comments on the restaurant's SNSs, John voided the food charges and instructed his employees to meet all customer demands–even the unreasonable ones.

Issues at the Back-of-the-house

Chef Vito, who had been working for Giusy's Ristorante for more than three years, shared with John his concerns about customers posting photos of his food. The most serious issue that Chef Vito pointed out was the misrepresentation of his food. Many customers used their smartphones to take photos that were often of lower, unprofessional quality, which made the food look unappetizing. Moreover, Chef Vito felt that any

surprise was ruined for future customers, because they could see others' comments and photos before coming into the restaurant.

Secondly, Chef Vito voiced his concern over the reheating of food, which not only affected the taste, but also increased the workload in the kitchen. Moreover, from a legal and artistic point of view, Chef Vito was concerned with copyright issues related to his culinary creations. He referred to his work as "an art for five senses," and worried that someone might copy his displays and signature menu items because all content posted on SNSs becomes public.

Discussion

Though Giusy's Ristorante has enjoyed growth in the number of social media followers and better rankings on review sites, John is still questioning how to manage the restaurant's SNSs effectively while resolving employee concerns. Specifically, the following issues need to be considered:

- John understands that it is extra work for Amanda to manage the restaurant's SNSs, but he knows that he himself lacks the skills and time to do so effectively. He doesn't have the budget to hire new personnel to take over the SNS duties, so who should manage the restaurant's SNSs?
- How could this person learn the needed skills to manage the restaurant's SNSs effectively?
- Should the restaurant accommodate all customer requests, even the unreasonable ones?
- Longer dining times and slower table turnover negatively affect revenues. How could the restaurant reduce the time spent at the table? Also, what could the restaurant do to combat the reduced speed of service due to customers requesting group photos of their parties?
- What could the restaurant do to protect Chef Vito's intellectual property?

Additional Readings

Aral, S., Dellarocas, C., & Godes, D. (2013). Introduction to the special issue–social media and business transformation: A framework for research. Information Systems Research, 24(1), 3-13.

Choi, E. K., Fowler, D., Goh, B., & Yuan, J. (2016). Social Media Marketing: Applying the Uses and Gratifications Theory in the hotel industry. Journal of Hospitality Marketing & Management, 25(7), 771-796.

De Vries, L., Gensler, S., & Leeflang, P. S. (2012). Popularity of brand posts on brand fan pages: An investigation of the effects of social media marketing. Journal of Interactive Marketing, 26(2), 83- 91.

Heinonen, K. (2011). Consumer activity in social media: Managerial approaches to consumers' social media behavior. Journal of Consumer Behaviour, 10(6), 356-364.

Hoffman, D. L., & Fodor, M. (2010). Can you measure the ROI of your social media marketing? MIT Sloan Management Review, 52(1), 41.

Kang, J., Tang, L., & Fiore, A. M. (2014). Enhancing consumer–brand relationships on restaurant Facebook fan pages: Maximizing consumer benefits and increasing active participation. International Journal of Hospitality

Management, 36, 145-155.

REFERENCES

Baird, C. H., & Parasnis, G. (2011). From social media to social customer relation-ship management.

Strategy & Leadership, 39(5), 30–37.

Choi, E. K., Fowler, D., Goh, B., & Yuan, J. (2016). Social media marketing: Applying the Uses and Gratifications theory in the hotel industry. Journal of Hospitality Marketing & Management, 25(7), 771-796.

De Vries, L., Gensler, S., & Leeflang, P. S. (2012). Popularity of brand posts on brand fan pages: An investigation of the effects of social media market-ing. Journal of Interactive Marketing, 26(2), 83-91.

eMarketer. (2017). Number of social media users worldwide from 2010 to 2020 (in billions). Retrieved from https://www.statista.com/statistics/278414/number-of-worldwide-social-network-users/

Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. Business Horizons, 53(1), 59-68.

Lee, D., Kim, H. S., & Kim, J. K. (2012). The role of self-construal in consumers' electronic word of mouth (eWOM) in social networking sites: A social cogni-tive approach. Computers in Human Behavior, 28, 1054–1062.

Mangold, W. G., & Faulds, D. J. (2009). Social media: The new hybrid element of the promotion mix. Business Horizons, 52(4), 357–365.

McCormack, D. (2014). Cell phones slowing down service in restaurants. Wait times have doubled because customers are too busy with their screens. Daily Mail. Retrieved from http://www.dailymail.co.uk/news/article-2690490/Service-time-restaurants-doubled-past- ten-years-customers-cell-phones-blame-claims-busy-NYC-restaurant.html

Michaelidou, N., Siamagka, N. T., & Christodoulides, G. (2011). Usage, barriers and measurement of social media marketing: An exploratory investigation of small and medium B2B brands. Industrial Marketing Management, 40(7), 1153-1159.

Stapinski, H. (2013). Restaurants turn camera shy. The New York Times. Retrieved from http://www.nytimes.com/2013/01/23/dining/restaurants-turn-camera-shy.html