



## **Impacts of Social Media Advertising on Sales Performance in Food Business**

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### **Abstract**

This study aims to figure out the impact and effects of social media advertising as a market strategy to the sales performance in food business. This determines the correlation of social-media activity and sales revenue of businesses and brands, focusing on the performance of retail-food brands as this presented the food business in general. The results of the study conclude that using social media as a marketing tool in food businesses has made a great and positive impact in attracting customers, resulting to an increment in customer's loyalty and in general to the sales of the business. Social media marketing strategy provides an innovative service for these businesses to introduce and promote their goods, services, and brands ensuring that the information reaches the target market.

## Introduction

This study aims to focus on the effects of social media marketing strategy on the performance, specifically on the increment, of the products and sales in food business.

In the digital age where technology is rapidly advancing and evolving, social media has been playing a vital role in the daily lives of every single person and it has become the most used media nowadays. There are statistically 4.20 billion social media users worldwide at the start of 2021, and that equates to more than 53 percent of global population. With its huge impact and wide audience, social media has become one of the best marketing strategies by different business and companies all over the world through posting advertisements of their product that would reach thousands to millions of people online in and outside their respective country which helps them increase their sales. It has been recorded that 97% of marketers are using social media for their business. (Dukart, 2018) With the use of social media, it is much easier to grow awareness of one's brand by simply spreading the word about the product and mission. They increase their traffic and promote their business through posting on websites and social networking sites.

According to Whiting and Williams (2013), social media is referred to as “a group of internet-based applications that build on the ideological and technical foundations of web 2.0, and that allow the creation and exchange of user generated content. And with its rapid audience expansion and massive use in advertisements, we can see that many companies and brands are striving to be active in social-media platforms, namely Facebook, Twitter, YouTube and Instagram (e.g., DeMers, 2014). Food industry is one of the best known instances for this. Social media marketing is being used in food businesses, may it be micro small or medium enterprises. Aside from aiming to increase their audience, this strategy also plays a vital role in improving business awareness among target customers hence, online sales are improved. Even the

restaurant industry uses social media as one of their biggest marketing strategies as this is said to improve the brand equity of the firms. (All Answers Ltd., 2018) This strategy helps food businesses to acquire and retain customers from different places and even countries.

With the rapid advancement on technology, market competition, as well as more demanding customers, food businesses are challenged and are forced to face this setting by constantly reassessing the effectiveness of their competitive strategies. Successful food businesses tend to focus on the key drivers of competitive advantage which lead to long-term brand sustainability hence, they resort to social media advertising.

As stated from the aforesaid case studies, it is no doubt that social media marketing strategy is one of the most innovative techniques being used in food-related industry and this is discovered to have a great impact on business awareness creation. Thus, the next sections provide brief review of literature by Chang, Q., Peng, Y., and Berger, P. about The Impact of Social Media Performance of Sales of Retail-Food Brands (2018) that considers the relationship between various social-media activities of a food brand/company and its sales; discussion and conclusions are presented as well. This will specifically determine their impact on sales performance through inductive reasoning. Hence, the current study aims to analyze the underlying effects of advertising through social media by food businesses in general from retail-food brands in specific. This would be crucial for the current dissertation topic to identify the correlation of social-media activity and sales revenue of businesses and brands.

## Literature Review

For the past years, social media giants such as Facebook, Instagram, Twitter, Pinterest and other social media platforms have been part of an individual's lifestyle; from the moment they wake-up and immediately check their Messenger for any updates and/or announcements from school, work, or family, in taking picture of their breakfast and posting it on Instagram, in opening their Facebook app to know their friend's whereabouts, in trying to share their ideas and sentiments on a specific subject in Twitter, and many other activities that social media platforms can offer. Over the years, as people becoming more equipped and dependent to these social media sites with Messenger having 1.3 billion Monthly Active Users (MAU), Instagram with 1 billion MAU, YouTube with 1.9 billion MAU, and Facebook, tagged as the biggest social media site as of 2019, with 2.23 billion MAU, these social media sites were not only used to share, communicate, and connect with other people. It is also used to reach the people about a product or service a business is offering. Social media sites such as Facebook, YouTube, and Instagram are just one of the platforms a business use to advertise their products and services. It has been stated that there are more than 65 million businesses are using Facebook pages to introduce their various products and commodities, and more than 6 million advertisers are actively promoting their products and/or services using the Facebook application. YouTube has also made its way in accommodating advertisers in introducing their products and services to the people who are interested in sports, fashion, food, etc. And with over 500 million users every day, Instagram can also be used in advertising a product and it has been proved that there are 36% marketers who are using Instagram in connecting with their target customers. (Buffer, n.d.) (Lua, 2019) With this being said, social media sites has been one of the platforms in introducing a business, connecting with the interested and target market, and an opportunity for advertisement that drawn a big impact to the sales of various businesses.

In relation with this, since marketing strategy through the use of social media sites were effective and prevalent on year 2018; it has been an opportunity for the food industry to widen their scope and enter the social media world. In 2018, 63 percent of restaurants use social media as an instrument to their strategy in promoting their foods and 49 percent of the costumers were using social media sites in knowing and learning about foods and dishes. With this quick grasp in following the trend about using social media in connecting with customers; restaurants, fast food chains, and other businesses that is under the food industry must be creative and innovative in presenting their foods, services, and accommodations through posting in social media. There are actually 93 percent of people who said that the visual appearance of the place where the business is located and the enticing photos of the product or food are the vital factors that influence them in purchasing the food offered by the business. (Henderson, 2018)

A case study showing the impacts of social media in restaurant businesses states that there is a significant difference in the cost of advertisement between the traditional way of marketing and in using social media as a way of marketing. It is said that before Web 2.0 were produced, businesses were only given a few alternative choices in advertising their products thus, a business spends high amount of money in building their product's profile. (Timilsina, 2017) But because of the rise of social media which in just a click, an advertisement could reach thousands and millions of customers worldwide, businesses could cut their expenses in marketing and also with the possibility of sales to go up since the offered product or service has reached so many possible and interested customers. These two effects of the occurrence of social media platforms as a marketing tool for the business has brought a lot of benefits and advantages in today's business for a single click can draw the interests and attention of the target customers without spending large amount of money and effort.

With a mix of qualitative and quantitative methods in attaining the desired results and information, the study shows that using social media platforms in promoting restaurant's services and foods has a positive impact on the sales of the restaurant business. The study was primarily conducted in the restaurants located in Oulu Region and the results shows that the use of social media in advertising their business has a direct and positive impact in the increase of the restaurant's sale and 83% of the customers of these restaurants were a product of using social media in alluring their customers to buy their foods. Furthermore, the study also shows that Facebook application were the restaurant's primary tool in their marketing strategy, offering a cheap expense for promoting business but with a large amount of benefits in attracting customers. On the contrary, the result also shows that negative feedbacks from customers that uses social media in reiterating their concerns about the food a and service can have a negative implications to the sales of the restaurant business. (Timilsina, 2017)

With all the results being considered, we can infer that using social media as a marketing tool in restaurant businesses has made a great and positive impact in attracting customers, resulting to an increment in customer's loyalty and in general to the sales of the business. However, a simple negative feedback from a customer that is posted in social media sites can also create a big and negative changes to the status of a business.

Meanwhile, in a study that determine the impact of social media through online reviews in the financial performance of restaurant corporations, the result deemed to have a positive impact between the online reviews (ORs) of the consumers and the financial performance of a restaurant corporation. In this study, the researcher's aim was to determine whether these online reviews have a direct impact to the restaurant corporation itself and not just on restaurant establishments. Few studies have already proven that there is a positive impact of online reviews to the reservation received and to the sales of the restaurant establishment. However, this study

has also made its way in proving that online reviews has also a positive and significant impact on the sales and status of a restaurant corporation. The results of the study infer that the higher the value of online reviews a restaurant corporation have, the higher the profitability level. (Miguel et al., 2020) Therefore, in accordance with the aforementioned facts, we can infer that social media as a marketing tool is effective, efficient, and accessible. It can already create a larger impact for it does not just affect the sales of a mere restaurant establishment but can also affect the financial performance of a whole restaurant corporation.

**Understanding How Social Media Advertising Impacts Food Business.** In the digital age, social media networks are being utilized by business organizations to the best of their extent to create an impact on the purchasing behavior of their customers. This serves as a worthwhile communication channel that links the producers to their consumers. As a result, more and more businesses have realized the importance of social media marketing as a strategy to enhance the performance in their business.

This strategy—social media advertising, is found to create an improvement to the brand awareness among the customers that entails various effects such as the increase of sales. According to Momany and Alshboul (2016), this type of marketing strategy is found to play a vital role in improving brand awareness among the target customers. Companies invest a huge amount of trust in marketing through social media. It is believed that social media marketing is beneficial for their business growth and brand value creation. Any type of advertisement or campaigns that includes social media have reported to produce benefits comparing legacy techniques.

When it comes to the retail food industry, large numbers of companies have been heavily investing in social media and have been expanding their social recognition, and have been

enjoying the increased sales revenues due to this revolution. They use it to improve their return on investment. It has found to have a positive impact on the satisfaction level of consumers and this plays a vital role in impacting the repeated purchasing of the customers. Thus, it is clear from the above statements that social media influences the purchase behavior of customers.

Based on Tuten and Solomon (2017), as a result of the transformation in buying nature of consumers from the physical outlet to e-commerce and other online portals in the past decade, the need for social media marketing has been mandatory. There was research conducted on the gap between social media marketing and behavioral brand loyalty which concluded that brand-related social media engagement resulted in positive behavior towards the brand (Yoshida et al., 2018).

**Importance of Social Media Marketing Strategy to the Food Business.** Through social media marketing, better influence on the customers had been seen compared to the traditional way of marketing strategies. Though the traditional way of marketing contributes to the primary stages of brand equity, still, social media provides better value and awareness of the products and services of a particular brand. This, in general, provides the impact of social media on the brand providing a better understanding of the importance and efficiency of social media advertisements and promotions. With the help of social media, it becomes relatively easy to access information about a certain product or service.

For one to comprehend the best and most effective strategies to create brand value and awareness in the online market, it is first essential to know the types of social media providing the platform of advertising towards gaining customers and their engagement into social media and marketing. Because the main utility of this platform is considered to be building social



networks and relations between people who tend to possess similar interests and real-life connections (Scott, 2017).

Since new features of different social media sites are already improved in still having improvements on their systematic tools, brand promoters, and followers' engagement and activity help in obtaining a clear understanding of promotions and campaigns being brought out towards the consumers. There are different aspects of promotions and advertisements that the companies should consider. First and foremost is the content for the advertisement. It should manifest respect to the social media platform used as well as its nature, per se. It is good to have standard content but it is beneficial to make certain changes to content type with respect to specific social media platforms for effective customer interaction towards the content (Phua, Jin, and Kim, 2017). Secondly, it is needed to sustain the elements of your advertisement such as the color, image, font, and uniqueness of the chosen logo as you utilize the online platform of advertising. Thus, consistency and quick brand recognition could be assured. Furthermore, creating unique and customized contents with respect to the target market is a crucial part of using social media as there are few things that can be taken into consideration during the creation of these unique contents such as language, geolocation, culture, events, etc. in addition, companies should focus on paid promotion collaborating with social media bloggers with the high following in the target market as they help to reach more target audience and create a trust over the brand (Phua, Jin, and Kim, 2017). The bloggers with a high number of followers from specific geo locations tend to create brand awareness in the specific region by creating content on specific products by brands.

**Benefits of Social Media Advertising to the Sales Performance.** According to Whiting and

Williams (2013), social media is “a group of internet-based applications that build on the ideological and technical foundations of web 2.0, and that allow the creation and exchange of user-generated content”. The rise of social media gave a new dimension to marketing techniques by its popularity in very short spans and various unique attributes that the technology provides. It is evident that there is no more organization that does the promotion or marketing the same way as 10 years ago. The reason is social media has changed the whole dimension of marketing providing various options for analyzing and understanding their consumers (Faulds and Mangold, 2014). Through this, it is revealed that social media has completely changed the dimension of marketing promotion. This has provided new opportunities for businesses including food retailers. Since social media provides a better platform for customer understanding this method is considered efficient for improving brand equity.

On further analysis of Pentina et al. (2013), their research revealed that relationship strength with a network not only leads to future interaction with the network but also, recommends it to others. The key finding of this study shows that those businesses that invest in social network sites for marketing and promotion benefit from larger customer interaction and engagement. It also increases its brand awareness. The study reveals that an organization with a better social media strategy has a higher scale of market operation.

The investment and involvement of an organization in Social media help in the creation of new business opportunities. Also, this technique helps in the improvisation of their customer knowledge, consumer relationship, and so on. Consequently, based on Foltean, Trif, and Tuleu (2018), numerous brands and organizations have been integrating social media marketing analysis with CRM which helps in better customer relationship management. From this research,

it is revealed that social media is used for improving word of mouth publicity, creating new opportunities for organizations with the assistance of customer relationship management.

### **Conclusion**

The emergence and the quick evolution of social media sites have made a drastic change and influence to the people's way of life and habits in today's world. In the last several years, people use social media sites to communicate with their family, friends, and colleagues, to share ideas and knowledge about a specific subject, and to be updated about the latest news and phenomenon that is happening in the world. On the other hand, with the continuing evolution made for the improvement of the various social media sites and to conform with the ever changing wants and needs of the users, these social media sites finally made its way in generating more clients to obtain their services and at the same time attracting more users using the advanced features of their websites. With the use these numerous social media networks, a business can now advertise and introduce their offered products and services to their target consumers with just a single click. Facebook, Instagram, and YouTube were just one of the social media platforms that offer advertising services for the business enterprises while concomitantly serving their users new ideas and options for their preferred products or service.

Furthermore, the food industry has had a quick grasp in adapting this new technique in marketing strategies. Several studies and articles has proven that the use of social media platforms as a marketing tool of restaurant businesses and other business under the food industry have improved the number of customers and reservations in a restaurant establishments and also has a direct and positive impact in the sales increment of the said business. In addition to this, the use of social media site has deemed to have a great impact in lessening the cost and in cutting the expenses for marketing strategy. Since back at the days were social media advertisements

weren't a thing and there is only a few approaches on how to promote a brand or service, it requires a large amount of budget in marketing a product and/or service and without the guarantee to get this information to the target consumers. However, with the use of social media sites as a marketing tool, budget for marketing were reduced and there is a high guarantee that the advertisement will get to the target consumers since according to the latest statistics there are 50.64% of people that are using social media regardless of their age and internet status. (Dean, 2021) In addition to this, the study conducted by Sergio Miguélez et.,al., (2020) in accordance with the impact of social media to the financial performance of the restaurant corporations, it has proven that the higher the value of online reviews through Consumer-Generated Media (CGM) such as social media networks, the higher the possibility of profitability. It has also revealed in the study of Pentina et al. (2013) that businesses that utilizes and invest in social media platforms as a marketing instrument benefit from the consumer's interaction and engagement. With this being said, it is inferable that social media sites as a marketing tool and an instrument for product, service, and brands' promotion has a great impact in the business enterprises, specifically the restaurant businesses. It also creates a significant and positive impact on the financial performance of a restaurant business.

It can be obviously seen that the use of social media sites creates a higher and bigger impact in today's world in comparison to the last few years. A social media site doesn't just give off knowledge but also gives the users an opportunity to lay their opinions and ideas in relation to the specific field. And in today's commerce, social media sites have been a great help on the side of the business enterprises and also on the consumer's side. Social media provides services for these businesses to introduce and promote their goods, services, and brands ensuring that the information is getting to the target market. With the use of the various social media sites, it has

given a business enterprise an opportunity to gain more without spending so much money and effort in marketing for in just a click, a business can allure and attract thousands of customers.

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