

Current issues in marketing



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\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Introduction](#) \n \t
2. [Social networks and marketing](#) \n \t
3. [Social Networking Ideas \(for café 21 Group\)](#) \n \t
4. [Things to look out for](#) \n \t
5. [Conclusion](#) \n

\n[/toc]\n \n

This report aims to discuss social network marketing, which is a current issue in the field of marketing. The report seeks to describe the importance and advantages of marketing on social networks for restaurants, particularly '21 Hospitality Group' of restaurants. We also draw upon some issues which should be taken care of, when businesses go ahead with such approach to marketing.

Introduction

' The internet and other digital media have transformed marketing' (Chaffey, 2006).

Customers are rapidly embracing the internet, so organization must have an effective visibility on Internet to prosper. The internet also has evolved over time, it is no longer just a source of information (Hof, 2006). The human need to share, cooperate and socialize has driven people to create their lives online. A relatively new but most popular means of achieving this is through social network sites such as Facebook, MySpace, Orkut, LinkedIn etc.

A social networking site can be defined as ‘ one that allows Internet users the ability to add user-generated content such as: comments, review, feedback, ratings, or their own dedicated pages.’ (Burns, 2007) They provide a virtual community for members interested in a similar subject or just want to “ hang out” together. Voice, instant message, conference and blogs, are the usual means by which members communicate in a social network site.

(www. computerhope. com, 2010)

(www. mlc. executiveboard. com, 2008)

As social networking sites become part of life of their members, they have become a potentially useful marketing tool. Social networking sites are an important medium to reach a diverse demography, including young generation, women, business consumers, and older individuals. Research shows that over 80% of consumers trust advice from friends online, which is thrice that of via traditional media, while making any purchase (Ward, 2007)

This report discusses issues in using social networking site for marketing and how it is relevant to restaurants and ‘ The 21 hospitality group’ (Cafe 21 group) in particular.

Social networks and marketing

The standard marketing mediums of television, radio, and newspaper are constantly losing their effectiveness. As consumers are spending more time online, companies are beginning to follow them to the Internet. Companies striving to be relevant, especially among younger consumers, are increasingly tailoring marketing campaigns specifically to social networks.

Such campaigns hope to interact with customers over time, in what companies hope will be in a memorable way. (King, 2006a)

Burger King managed to make more than 114, 000 “ friends” on MySpace, in a successful marketing strategy where they created a profile for their mascot, “ The King”. Through their site, users could watch free episodes of many TV. As Gillian Smith, Senior Director of Media and Interactive at Burger King puts it, “ Consumers respect us more as a brand if we are giving them something they can use.” (King, 2006b) Every industry is using social networking media for marketing, brand awareness campaigns, consumer engagement and reputation monitoring. The restaurant industry is no different. Restaurants are a social medium of interaction among people offline, so going online is just a natural extension. Restaurants also have advantage over other industries using social networking media. Social media is about visuals, sharing ideas, talking and telling stories. Similarly food is also very visual, both physically and emotionally. It evokes conversations, experiences, memories, and stories that people share. This is what social networking websites are all about!

Chances are that if it’s a restaurant people talk about them online, discuss, rate and recommend them to friends. Chatter is happening. It may be very beneficial for restaurants to know whether it is going good, bad or in between to keep their business successful and popular. (Fruchter, 2009). This way they can adapt better to customer preferences and delight.

Social marketing has distinct advantages which make it a vital tool for a marketing campaign. The members of social networking sites are niche

groups with particular interests. These specialized members are a highly-targeted audiences.(Burns, 2007). Return on Investment is one of the most important criteria for any marketing campaign. For businesses such as restaurants, social marketing is one of the cheapest methods. Considering that fact that such sites vastly improve visibility, restaurants ultimately get good publicity for free. Also traditional e-marketing tools like banners and link ads are losing their charm as not many people trust them. But with social marketing, restaurants can give a more human emotional touch to attract potential customers. Social marketing helps to spread information fast (me, 2010). It also creates interactive bond with the customers.

Social Networking Ideas (for café 21 Group)

21 Hospitality group should adopt a comprehensive marketing strategy on social networks. They can start by creating profiles, networks and blogs on facebook, twitter etc.

On these, they can feature aspects of a restaurant each week, such as inside the kitchen, basic cooking tips, greetings from a hostess along with her favourite appetizers, drink recipes from the bartender, and so on. People will get to know employees and food better, which creates an intimate and welcoming atmosphere when they visit the restaurants. They can hold contests where people vote for favourite menu item, submit their own ideas for a dish or dessert to be served. This will make the customers feel empowered. The group's website and profile page should be mentioned on brochures, menus and bills to get people log in to them and connect.

Most members have their birthdays and anniversaries listed on such site which can be used to give discounts to prospective members on special occasions. This method will make the customers feel good and attract them to the restaurants.

Cafe 21 Group should inform customers about new events, menus and happenings through these sites. Also they should invite reviews and feedbacks from their customers. They should go all out to please the customers as the customer is always the king. (Mehta, 2009). The feedbacks will be helpful for the group in providing better services.

In addition, Cafe 21 group can visit other local restaurants on these sites, befriend them and comment on their pages. Customers, who don't know Cafe 21, may become aware by seeing those comments. Also, they can tie up with web sites dedicated to tourism in North-East and include a link to Cafe 21 group's site on their page.

Things to look out for

Before diving straight into social networking, a planned approach is required, especially for frequent users who will most likely spread the news about the food and services to other users and their friends. It is essential to emotionally connect with them and make them friends of the brand (Li, 2007)

Cafe 21 Group also need to pick the apt sites, the one that most closely matches the intended customers. Transparency in communication is must to flourish trust and brand loyalty. A lot of users navigate using Google, Yahoo, or links in e-mail. So, businesses need to optimize visibility on these. Also

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they need to ensure ‘ that their content is of high enough interest, quality, or value that it will serve as ‘ link bait’ or ‘ bookmark bait.” (Burns, 2007)

A research by ExactTarget and Ball State University says that Internet users, aged 18-34, are more influenced by direct email and mail rather than marketing on social networks (Leggatt, 2008). This highlights that creating trust is an absolute must for an marketing strategy to be successful.

Participation in social media needs much more work than just signing up for an account and then posting the details of lunch or dinner. It is very essential to hear feedbacks, reviews and conversations of customers. It will be very helpful to find out who is passionate about the brand, and give them extra information which they can share with others. Vandegrift says. ‘ You don’t have to pay people. Just find out who really cares about you and give them some access.’ (Perlik, 2009)

Restaurants should also be ready to respond to negativity. A quick and right response is required in times of negative feedbacks and publicity to hold erosion of any customer base.

Above all, restaurants should always have something interesting to add to the conversation. Just listing menus makes the posts boring. Readers should be provided unique information which they can’t find elsewhere. Restaurants like Cafe 21 can offer insider discount deals and promotions or something interesting now and then. (Perlik, 2009)

Conclusion

All businesses aim to increase their customer base. ‘ Before the Internet, many spread the word through word of mouth. Social marketing has now taken over as the online version of word of mouth. Harnessing it, in the right way will results in more customers, more sales, and a higher level of visibility online than ever before.’ (me, 2010)

‘ With the Net, a new way of conducting business is available, but it doesn’t change the laws of business or most what really creates a competitive advantage. The fundamentals of competition remain unchanged.’ Michael Porter (cited in Newing, 2002)

Advertising on social networking sites have clear advantages but still businesses should move forward with caution regards to ethical and moral issues. The advertising should be just enough to promote the brand and expand customer base and also should not invade privacy of the users of that site.

Cafe 21 group should go ahead with marketing on social media. It will open a new medium to connect with customers, but they should understand that this can not be the full marketing strategy. They still need to have traditional strategic marketing plans to maintain competitive advantage.