

Marketing Strategies to Increase Sales in Small Family-Style Restaurant Businesses

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Small business owners understand the advantages of using social media as a marketing tool; however, some owners do not leverage social media marketing strategies to increase sales. Small business owners who fail to implement social media marketing strategies minimize the potential to gain new customers; thus, negatively impacting sales. The purpose of this qualitative multiple case study was to explore social media marketing strategies used by five small family-style restaurants in Maryland. Berry's relationship marketing theory was the framework for this study. Data collection included semistructured interviews, documents pertaining to social media marketing strategies, and social media pages and websites from the participating

restaurants. Key themes that emerged were (a) social media platforms small family-style restaurant owners use that were most effective in increasing sales, (b) employees' response to social media marketing strategies small family-style restaurant owners use to increase sales, and (c) relationship marketing. By increasing sales, the demand for employment may increase which can have a direct impact on decreasing the unemployment rate within the United States, particularly in the state of Maryland.

Keywords: social media, small businesses, restaurants, social media marketing

Small business (SB) owners are utilizing social media for marketing, advertising, employee recruitment, and communications with clients, partners, and employees (Schaupp & Belanger, 2014). Achieving marketing objectives has become difficult for business owners because of media fragmentation and the increasing number of daily media exposures (Lapido, Nwagwu, & Alarpe, 2013). In particular, restaurant owners struggle with understanding how to best utilize social media for marketing (Bilgihan, Cheng, & Kandampully, 2014).

More than 99% of businesses in the United States are small businesses (Fox, 2013). The officials from the U.S. Small Business Administration reported that 50% of all small businesses close within the first five years because of insufficient marketing plans

(Cronin-Gilmore, 2012). Small business owners are utilizing social media as a marketing tool to increase visibility to sustain their business in competitive markets (Taneja & Toombs, 2014). Business owners utilizing social media platforms have access to customer information that was not previously available which allows small business owners to perform marketing tasks at minimal cost (Taneja & Toombs, 2014).

LITERATURE REVIEW

The power of social media lies in the abilities of one consumer to communicate with many consumers simultaneously (Xu et al., 2012). The usage of social media platforms changed the way business owners directly communicate with their consumers and the way consumers perceive businesses (Taneja & Toombs, 2014). Xu, Ryan, Prybutok, and Wen (2012) noted that social media users utilize forums to build connections between other users. Thorough and sophisticated preparation occurs when business owners use social media platforms for marketing as compared to traditional and mass-marketing techniques (Svatosová, 2012). A family-style restaurant is a casual dining restaurant where a customer sits at a table and receives table service from waitstaff as opposed to over-the-counter service at a fast-food restaurant where a customer receives their meal to go (National Restaurant Association, 2014). Riehle, Grindy, Bruce, and Stensson (2014) reported that 32% of consumers utilize information from social media when choosing a restaurant. Implementing social media strategies to increase net sales for small family-style restaurants may ultimately increase the demand for employment as sales increase and more employees are needed to meet customer needs.

Small business owners understand the advantages of using social media as a marketing tool; however, some of these owners do not leverage social media marketing strategies to increase sales (Jones, Borgman, & Ulusoy, 2015). Seventy-four percent of small business owners do not use social media marketing strategies to gain new customers and increase sales (Taneja & Toombs, 2014). The general business problem is that failure to use social media minimizes the potential to gain new customers; thus, negatively impacting sales. The specific business problem was that some small family-style restaurant business owners lack social media marketing strategies to increase sales.

The purpose of this qualitative multiple case study was to explore social media

marketing strategies small family-style restaurant owners use to increase sales. The target population comprised five family-style restaurants small business owners, located in Maryland, who have been in business more than 2 years, and use social media marketing strategies to increase sales. Community stakeholders stand to benefit from an enhanced standard of living, realized through increased household income.

Berry (2002) first mentioned the concept of relationship marketing (RM) theory in 1983. Relationship marketing, as a concept, is attracting, maintaining and, in multiservice organizations, enhancing customer relationships. Berry identified five RM strategies to include: core service marketing, relationship customization, service augmentation, relationship pricing, and internal marketing. Sheth and Parvatiyar (1995) proposed the basic tenant of RM is consumers' choice reduction. Consumers' choice reduction tenant in RM theory involves consumers consistently patronizing a brand based on relationships, which ultimately reduces consumer choices when purchasing a product or service. In RM theory, organizational goals involve creating consumer champions or advocates who will recommend the company (Bhattacharya & Sen, 2003). Hunt, Arnett, and Madhavaram (2006) proposed that the purpose of RM theory is to provide systematized structure to explain the RM phenomena. Using RM theory, Hunt et al. (2006) determined that consumers interact with businesses through relational exchanges when they have benefits that exceed the cost of a product or service (Hunt et al., 2006).

RM theory is relevant to social media because more than half of consumers who use online tools such as social media to make purchasing decisions interact with a business on social networking sites and business owners. This means capitalizing on this new promotional dimension to strengthen their customer relationships (Rapp, Beitelspacher, Grewal, & Hughes, 2013). As applied to this study, social media marketing media strategies align under the service augmentation relationship marketing strategy. Berry (2002) argued service augmentation involves business owners providing customers with extra bonuses within their service to differentiate their business from competitors.

METHODS

A qualitative research method was used for this research project. Providing insight into what the person experiences was the essence of the chosen research method (Kramer-

Kile, 2012). A multiple case study design was used for this research project.-A multiple case study design allowed me to gather in-depth responses via open-ended interviews with small family-style restaurant owners who use social media marketing strategies to increase sales.

After approval from Walden University IRB, the following process took place to conduct the proposed study. I requested and received permission to conduct this research study from Walden University IRB and to gather contact information of potential participants. Potential participants received the informed consent form during initial contact. Contacting potential study participants to clarify any questions about the informed consent form is part of the follow-up process. Participants delivered a signed informed consent form indicating the study participants' voluntary agreement to participate in the study in person or electronically through email. Participants scheduled interviews convenient to their schedules. I held interviews in a public location convenient, confidential, and comfortable for the participant. At the beginning of each interview, the participant acknowledged their rights on the informed consent form. Once data collection has taken place, I imported data into NVivo 11 software. Recording of interviews occurred by using a digital device, such as an iPad. During the recording of the interviews, I made notes of the respondents' nonverbal communication, vocal inflection, and tone. Before importing textual transcripts into Microsoft Word and commencing the process of data analysis, an interview summary went back to the participants to verify the accuracy of the data through a process of member checking.

RESULTS

Five themes morphed from the data analysis (a) social media platforms small family-style restaurant owners use to increase sales (b) strategies that work best for small family-style restaurant owners to increase sales, (c) employees' response to social media marketing strategies small family-style restaurant owners use to increase sales, (d) impact social media marketing has on small family-style restaurant sales, and (e) relationship marketing.

Social Media Platforms

The theme of social media platforms pertains to participants' responses to the types of social media used to increase sales. Three categories social media were the basis of this theme (a) Facebook, (b) Instagram, and (c) other platforms.

Facebook. Facebook is the preferred social media site for business marketing (Jennings, Blount, & Weatherly, 2014). All participants in the study stated they utilize Facebook to increase sales. Participants mentioned they are not as consistent using Facebook as they are using other platforms; however, they still utilize Facebook as a way to market by encouraging their customers to write reviews about their experience on Facebook. Participants also utilize Facebook to post specials and allow customers to market their business for them by encouraging customers to post about the restaurant and tag their business in the post. Research determined that participants not only utilized Facebook to post pictures of their menu items, but they also leverage Facebook to promote events.

All five participants understood that Facebook is a great way to build and maintain relationships with their current and potential customers, and that it is important for them to utilize it in their business to increase sales. This supports Sheth and Parvatiyar's (1995) basic tenant of relationship marketing of consumers' choice reduction.

Instagram. All five participants used Instagram consistently. Participants stated they utilize Instagram to post pictures of their menu items as well as for their customers to engage in strategies to increase sales. None of the participants utilize Instagram for contests; however, research determined that participants utilized Instagram to promote events. Participants stated they rely heavily on Instagram, and they have specific marketing strategies they implement on Instagram.

Using Instagram for marketing was most effective because you can share pictures of their menu and allow customers to use specific hashtags to promote their business to reach a larger audience. Research determined all participants stated they see some form of return by using Instagram for marketing. These findings support Castronovo and Huang (2012) that social media can be used to accomplish one of three goals for a business: building awareness, increasing sales, or building loyalty. Instagram is a visual platform

and allows business owners to reach potential customers through communication, collaboration, and creating value through picture content (Carlson & Lee, 2015).

Other. One of the five participants stated that they use Yelp to increase sales; however, they felt that there was no need to implement any specific strategies because Yelp is user-generated content and can sometimes come with negativity. One of the five participants also stated that they utilize Twitter for marketing but not very often. A review of the businesses' social media sites revealed that the participants used social media to post pictures and videos, promote community events, advertise daily specials, and post the restaurant's menu.

Strategies

The theme of strategies pertains to strategies that work best for small family-style restaurant owners to increase sales. The findings of this study support Castronovo and Huang's (2012) argument that consumer purchase decisions are highly affected by the opinions and decisions of one's peers, with peer-to-peer communication acting as a highly valid and reliable source of product information. Four categories strategies were the basis of this theme (a) posting food and drinks, (b) paid social media, electronic word-of-mouth marketing and (c) hashtag strategy.

Posting food and drinks. All five participants emphasized posting pictures of their menu items helped increase sales. Research determined that posting a picture of their drinks and food tends to always keep the restaurant on their minds and coming through their doors. All participants agreed that when their customers post pictures, it also increases their sales. The findings of this study support Carlson and Lee (2015) argument that small business owners should focus on improving their relevance to social media to build and sustain long-term business success. Varini and Sirsi (2012) determined valuable, engaging content would build closer ties with consumers and influence patronage intentions via emotional bonds.

Paid promotions. Research determined that a key strategy for participants is using Facebook paid promotion feature. All other participants agreed that they understand they could gain more traction and increase sales while utilizing the paid promotion feature on Facebook and Instagram; however, they have not taken the time to understand how to use the feature thoroughly. They also stated they do not have the proper budget to dedicate to

paid promotion. Small business managers must consider consumers and potential consumers are the subject of different triggers beyond conventional paid media with the interactivity characteristic of social media (Luigi et al., 2011). Business owners can market to followers using targeted ads (Jeanjean, 2012).

Word of mouth marketing (WOM). All five participants emphasized the power of electronic WOM marketing. An electronic WOM strategy is crucial to marketing success (Castronovo & Huang, 2012). Social media allows WOM to accelerate its reach (Walaski, 2013). Four of the five participants added that they encourage customers to post pictures of the food on social media sites and comment about their experience in the restaurant to help spread the word about the service they received. The dominant factor in WOM engagement is customer satisfaction, which occurs when the client wants to share a positive experience about a product or service (Wolny & Mueller, 2013). All five participants confirmed that customers are enthusiastic to share their experience on social media sites, especially when it is a positive one.

Results indicated that when friends of their customers see their experience their customers experienced virtually, they want a piece of that experience. It is important that they always provide their current and new customers with the same experience they saw happening on social media. All participants noted they do not offer specials or discounts for customers sharing their experience on social media but do encourage them to do so. Customers help increase traction by posting their experience through formal reviews with the review feature on Facebook or informally by just posting a picture or words and including their experience in the caption. Customer reviews increase brand awareness.

Hashtags. Two of the five participants stated they strategically utilize hashtags to help increase their exposure; however, all participants use some type of hashtag. Social media marketing campaigns are more likely to succeed when the message content is able to highly resonate with the target audience and appeal to this group's motivations for sharing information (Castronovo & Huang, 2012). Castronovo and Huang (2012) determined small business owners should utilize social media to foster communication and therefore a social media strategy must allow users to share and contribute to content.

Employees

The theme of employees pertains to employees' responses to social media marketing strategies small family-style restaurant owners use to increase sales. All five participants stated their employees are very receptive to utilizing social media marketing strategies. Only one of the five participants stated they require their employees to implement social media marketing in their job roles. Four of the five participants do not have dedicated staff to manage social media or require their staff to post on social media.

Impact

The theme of impact pertains to the impact social media marketing has on small family-style restaurant sales. All participants stated that social media marketing had a positive impact on their sales. Results indicated that participants who not only promote their restaurant but also promote and empower other entrepreneurs through their social media platforms, they have been able to increase their sales and other entrepreneurs' sales.

Relationship marketing

The theme of relationship marketing pertains to how the social media marketing media strategies participants of this study utilized aligns under the service augmentation relationship marketing strategy increase sales. Relationship marketing is attracting, maintaining, and, in multiservice organizations, enhancing customer relationships (Berry, 2002). Berry (2002) identified five relationship marketing strategies to include core service marketing, relationship customization, service augmentation, relationship pricing, and internal marketing. All five participants in this study identified at least one RM strategy they use through social media. In RM theory, organizational goals involve creating a consumer champion or advocate who will recommend the company (Bhattacharya & Sen, 2003).

The purpose of employing relationship-marketing theory is to allow business owners to use a strategic process to develop and maintain a profitable relationship portfolio (Catoi & Tichindean, 2012). RM theory is relevant to the findings of this study because family-style restaurant owners in this study agreed that more than half of consumers who use online tools such as social media to make purchasing decisions interact with their restaurant on social networking sites. Small family-style restaurant owners in this study understood the importance of building strong relationships with consumers via social

media to enhance their brand loyalty. Enhancing relationships with customers and elements of the brand community can enhance relationships and increase contacts between the brand and the customers to influence the brand (Laroche, Habibi, Richard, & Sankaranarayanan, 2013). All participants agreed that when their customers post pictures, it also increases their sales. This strategy supports RM theory where organizational goals involve creating a consumer champion or advocate who will recommend the company (Bhattacharya & Sen, 2003). All participants mentioned that they did not have a written social media-marketing plan. The participants posited that a written marketing plan is necessary, but they have not had the time to create one.

Small family-style restaurant owners in this study agreed continuing to implement social media marketing strategies to reach customers will increase sales. The findings of this study support Schaupp and Belanger (2014) argument that small business owners who engage in social media marketing build relationships and trust with customers that translates into increased sales. Social media use can alter the level of communication and interaction between SB owners and consumers (Pookulangara & Koesler, 2011). Participants of this study agreed consumers of their small family-style restaurants can communicate through social media their questions or concerns, and as family-style small restaurant owners they can directly respond to the consumers' questions.

DISCUSSION

Small business owners who engage in social media marketing build relationships and trust with customers that translates into increased sales (Schaupp & Belanger, 2014). Social media use can alter the level of communication and interaction between SB owners and consumers (Pookulangara & Koesler, 2011). Consumer identification, customer acquisition, customer retention, customer development, and tracking consumer information are steps in the process of relationship marketing small business leaders implement to maintain lifelong relationships (Khan, 2014a). Implementing social media marketing strategies does require some formal training or understanding of all the components on the various social media platforms.

Whiting and Williams (2013) expected ROI to increase for business owners who use social media marketing. Public Relations Society of America reported that in 2016, over

half of the 90% of the active U.S. business owners would increase sales by using social media as part of the total marketing mix (Public Relations Tactics, 2016). Kumar and Mirchandani (2012) stated that social media marketing efforts used to increase sales, profits, brand awareness, and positive WOMM must relay the right message to the right individual. If business owners do not take the time to understand how to use social media as a marketing tool, business owners could cause potential damage to their organizations by missed opportunities for growth and sales (Li, 2012).

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