Final Dissertation

Restaurants and Local Businesses Go Online:

How to Improve Marketing and Communication Strategies by Using Online Tools

Isaure de Kerros (10078606)

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Supervisor: Mr. W.B. van Dam

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Academy of European Studies & Communication Management

The Hague University of Applied Sciences

EXECUTIVE SUMMARY

This research paper focuses on how the use of the internet can be a potential marketing tool for restaurants and local businesses such as bars and cafés. The goal of this research is to set up a consultancy company, specialized in proposing strategies for restaurants using online tools, to enable them to boost their business, especially in times of economic crisis.

The research question is: what services can help restaurants to create a stronger marketing strategy by using internet tools?

The research's first step is the selection of a relevant segment of the market and its relevant variables. Segmentation was made according to the types of customer that go to restaurants. Four variables were found from interviews with restaurants staff. These are: families, tourists, students, and professionals. In order to analyze the behavior of each group, an online survey was undertaken with additional questionnaires about how people look for a place to eat. The results are that most of the time, they use the internet, word of mouth, or they find a place just while walking in the street. The next step of the research was to find out what services can be used to reach the clients, matching such behavior. These are: review websites, already used by many internet users and considered to be the digital word of mouth; own business websites that are easy to build with specialized softwares; social networks, like Facebook that develop services adapted to local businesses and restaurants; and finally applications for smartphones and GPS, that allow restaurants to be found from anywhere, including people walking in the streets. Such tools also have limits and these are mentioned in the last part of our results, such as the possibility of losing control on objectives and losing authenticity.

The conclusion of this report provides answers to the research question. It enumerates the four internet tools found to help restaurants create a stronger marketing strategy: review websites, own websites, social networks (Facebook), and smartphone's applications. Constructive recommendations were devised to encourage restaurants and local businesses to go online and maximizing their success as internet marketers. First, restaurants need to be aware of their visibility on popular reviews websites, and take control of their pages by updating and maintaining them regularly. Second, create a website that reflects the image of

the restaurant, keeping it simple but functional because it is the online representation of the restaurant. Third, go on Facebook and use it to reach future customers as well as to have a close relationship with subscribers, to communicate offers and to organize events. Finally, restaurants need to be aware of the applications for smartphones which allow clients to find restaurants wherever they are.

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CHAPTER 1: INTRODUCTION

Technology is advancing every day, and the daily use of the internet has given birth to new means of communication. The use of strategic internet marketing has developed so much in the past couple of years that it is becoming essential in order to ensure business' sales and visibility, to keep up with the time and to be competitive. Social media, private websites, search engines or specialized websites can all be used to promote shops, brands, but also hotels or restaurants.

Modern marketing is defined as the market/customer oriented commitment of an organization (Jaworski & Kohli, 1993). Restaurant industry has the same commitment. Marketing and the hospitality industry are sharing both one same aspect, which is the relationship between the organization and the customer, or the host and the guest.

According to the definition of the Chartered Institute of Marketing, "marketing is the management process for identifying, anticipating and satisfying customer's requirements profitability" (2009).

Applied to the restaurant industry and adapted to the online marketing, the three key verbs of this definition can be justified as follow:

- Identifying: The internet is the perfect tool for a business to conduct marketing research in order to "identify" (find out) their customer's opinion, as well as what they want and what they need. Being part of the hospitality industry, catering is mainly about offering a service to customers. Therefore it is really important for restaurants to know what their clients think and always offer them the best service they can.
- Anticipating: The internet is an additional way to inform and to communicate with customers. People can access the menu, the type of food, the promotions, and even make a reservation.
- Satisfying: Using the internet, making the customer happy is achieved by offering him a well presented web page, easy to use, with extra features and options, efficient and well performing with an adequate customer service. Applied to the restaurant industry, this online aspect is the first step toward satisfaction of the customer. If the future

customer is satisfied with the online presentation of the restaurant, it is likely that he will try it. The goal is to make the first impression last.

The need for expanding marketing tools of hospitality businesses is vital in times of crisis and in a competitive environment. Some businesses are really advanced in the domain of using the internet to serve their business. However, some others are far from familiar with this instrument.

The goal of this research is to set up a consultancy company that would offer restaurants the opportunity to enhance and boost their business. Adapted marketing strategies will be suggested, using the internet as a tool to reach more clients and to offer a better service.

The central research question is: what services can help restaurants to create a stronger marketing strategy with the use of internet tools?

In order to answer this question, several aspects need to be studied: What kinds of people go to restaurants? How and why do they use internet to look for a place to eat? What are the online services that already exist? What do they offer? How can we use them?

The research question and its sub questions aim to explore the benefits and advantages of using the internet to market the restaurant industry. The results of this research allow us to develop an effective marketing approach that can be presented to restaurants in need of innovative strategies.

CHAPTER 2: METHODOLOGY

In order to answer the questions about the use of the internet in the restaurant industry, several research methods were used.

The goal of this research is to set up a consultancy company that would offer restaurants the opportunity to boost their business. Therefore, a certain order of steps was followed to make marketing recommendations for restaurants:

- Segmentation: in order to offer an "adapted" strategy, we need to know to what it is going to be "adapted". The first step is then to select the adequate segmentation. Ten restaurants of The Hague were interviewed. Each of them was asked to give four categories of clients that come to their restaurants the most often. Out of the results, the four most representative variables were selected: professionals, students, families, and tourists.

- Behavior analysis: once we have identified the different target groups, understanding and analyzing their behavior helped us classify their needs and motivation. We conducted a survey and additional field research to know about the ways each group looks for places to eat, giving us a relevant customer analysis.

- Internet instruments: knowing the motivation of the customers, we could then look at what services can help restaurants to create a stronger marketing strategy and how these instruments can meet the ways customers are looking for a place to eat.

In order to complete this part of the research, we gathered information about what marketing tools already exist on the internet, specifically for restaurants. Two types of research were used to find the information. Firstly, desk research, in order to find, to gather and to analyze theories and facts already available in print or published on the internet. Secondly, field research, to collect data via interviews, survey, questionnaires or direct observation, in order to get the point of view of the parties involved.

Desk research allowed us to build a list of the most popular websites used by restaurants to promote their business, and by the customers to share their experiences. Business websites

and literature are two types of sources used to collect this information. Case studies on successful restaurant users of the web illustrate each type of marketing instrument.

In order to give consistence to our analysis, field research was conducted too. Interviewing the parties involved helped us to understand how the internet has become necessary to ensure the visibility and the promotion of a business. Three methods were used for the field research: interviews with restaurants and an interview with an intern working at el Tenedor (restaurant review website); an online survey and a questionnaire.

- One of the interviews with restaurants was conducted in Spain. This restaurant is using the internet as a means of communication. The goal of this interview was to know how and why it is using the internet, the effects that the internet has on its business, and if it would recommend other restaurants to use the internet.

- The interview with the intern at el Tenedor gave a different perspective. El Tenedor, or the Fork, is a restaurant reviews website specialized in online reservation. The objective of this interview was to help comprehend what these new platforms are.

- In order to have an insight into the customer's point of view, an online survey was distributed to potential respondents (appendix 1). The advantages of online surveys are their low cost, interactivity, high accessibility, and convenience for data entry and checking (Stopher, Collins, & Bullock, 2004). After basic demographic questions, respondents answered about the way they use the internet to look for a restaurant, to make reservations and to read comments of other customers. With 71 respondents coming mostly from European countries (66 respondents), but also from Canada (1), the United States (1), India (1), Russia (1), Mali (1), the survey gives a global overview of the people's opinion about online presence of restaurants.

This research method is appropriate because it allowed us to answer the research question and to make marketing recommendations.

CHAPTER 3: RESULTS

This part of the paper is dedicated to the findings of the research. In order to answer the research question and to give recommendations, we followed three steps. The first step was the segmentation, followed by the behavior analysis of the segment chosen and finally the research for technologies that can help us reach the different target groups.

3.1. Segmentation

The goal of the segmentation process is to target a specific group of customer. It allows the marketer to get sufficient information in order to build suitable and persuasive marketing strategies.

According to Kotler, market segmentation is about "dividing a market into distinct groups of buyers who have distinct needs characteristics, or behavior and who might require separate products or marketing mixes" (Armstrong and Kotler, 2005: 54).

As we want to offer an "adapted" strategy, we first need to know *to what is going to be "adapted"*: Types of customers? Types of restaurants? Types of service?

In our case, we decided to adapt it to the restaurants according to their type of customer. Meaning that the strategy will not be adapted depending on the food that it serves, or the way it serves it, but adapted to the type of customer that is visiting the place, and on who he is. Thus, the segmentation is about the type of customers.

There are several ways of segmenting customers. For this research, the demographic segmentation was selected.

3.1.1. Demographic segmentation

Demographic segmentation classifies customers into groups based on demographic aspects such as age, gender, family size, income, occupation, education, religion, race, generation, social class and nationality (Armstrong and Kotler, 2005: 187).

This type of segmentation is often used since the variables are easy to identify and evaluate.

After asking a few restaurants what kind of customers they have in general, most of them replied by giving their customers' type of occupation and status. These are our demographic segments.

Located in the city center of The Hague, Netherlands, the ten interviewed restaurants allowed us to select the most represented variables among their clientele.

Three of the restaurants were contacted via email, and the seven others were interviewed via their staff, in an informal manner. One question was asked: which are the 4 groups of clients that are the most represented?

The 10 restaurants are the following:

- Pastis,
- Gauchos (Den Haag)
- Los Argentinos
- Burgerz
- Le Bistrot de la Place

- Dudok
- Zèta
- Troubadour
- Vapiano
- Sumo

All the mentioned variables were: families, tourists, professionals, expats, students, couples (see appendix 2). The chart below represents the results of our research.
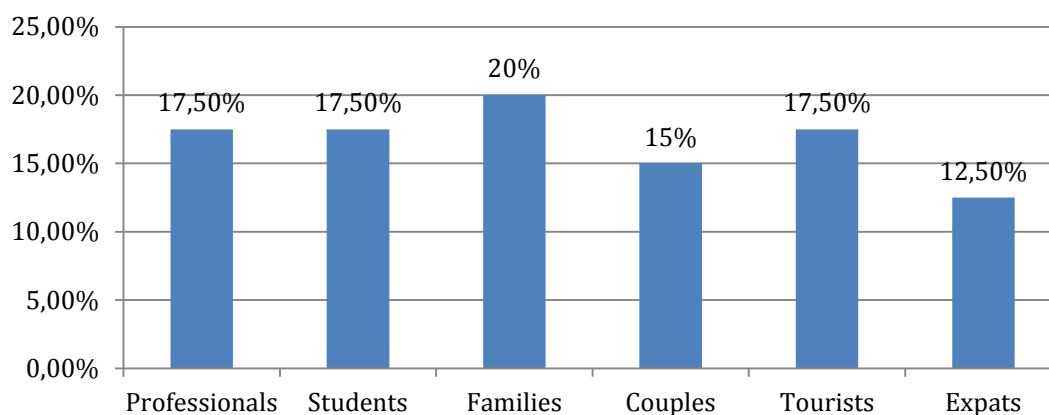

Figure 1 : Categories of clients

The four variables that we decided to analyze are: family, students, tourists and professionals. Even though other groups are highly represented too, these four categories seem to be the most relevant considering the goal of the analysis. Our strategies are thus going to be elaborated on according to and around these four target groups.

3.2. Customer behavior

Consumer behavior can be defined as follows: "the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs" (Schiffman, 2007). Consumer behavior is about how, what, when, where and why the client is buying a product or a service. In our case the part of the analysis that interests us is about how clients look for a place to eat. In order to have an objective point of view, the results of the survey, as well as small interviews with the four segments were used. The question asked was about the way people look for a place to eat in general and on the internet (see Appendix 1).

3.2.1. Students

According to the survey, 58,5% respondents were students aged from 15 to 30 years old, with 78,9% aged from 19 to 24 years old. They are as many male as female respondents.
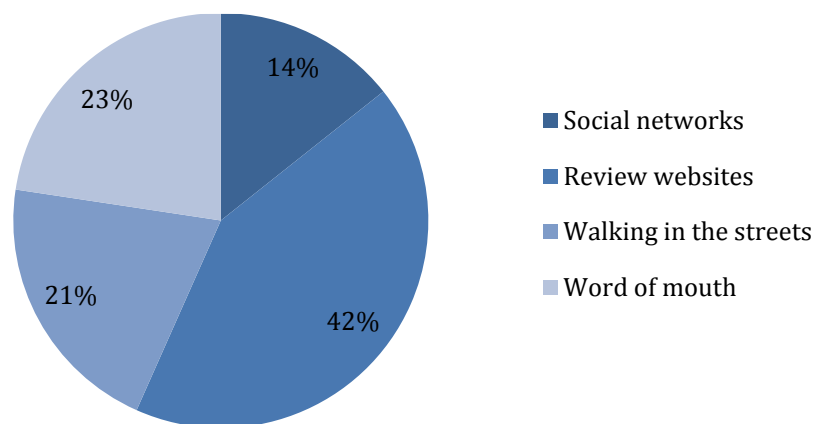

Figure 2: Students

Almost 14% answered that they use social networks, like Facebook, to look for a place to eat. However, 42% answered that they use review website like Trip Advisor or Google Place. Another important fact to point out is that students also like to look for new place to eat using word of mouth (23%) or they simply find a restaurant while walking in the street (21%).

3.2.2. Tourists

In order to get the information for the tourist variable, we simply asked respondents the way they choose their restaurants when they go on holiday or when they visit new places. The question had the form of a ranking. Respondents had to rank from 1 to 5 the ways they are more likely to find a place to eat.
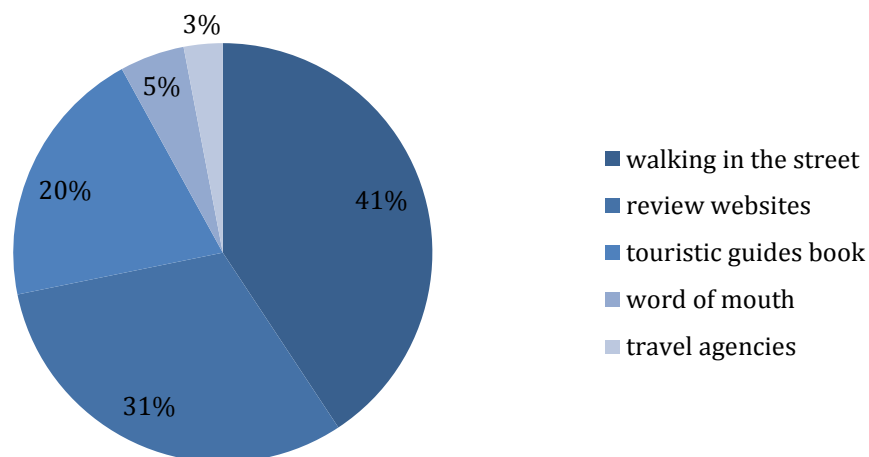

Figure 3 : Tourists

According to the survey, tourists, as they are not familiar with the city they are visiting, will mostly find a place to eat by walking in the street and in a more spontaneous spirit (40,7%). However, they also like to use review websites (31,1%) and touristic guide books (20,2%). Finally, word of mouth or travel agencies are also used (8%).

3.2.3. Families

Data about families were gathered by asking around to friends and close family members as well as own experience. In total the sample was made with 25 family units, of different size, with young kids or older children which allow us to have a general point of view. Conducted in France, the answers collected come from French families.
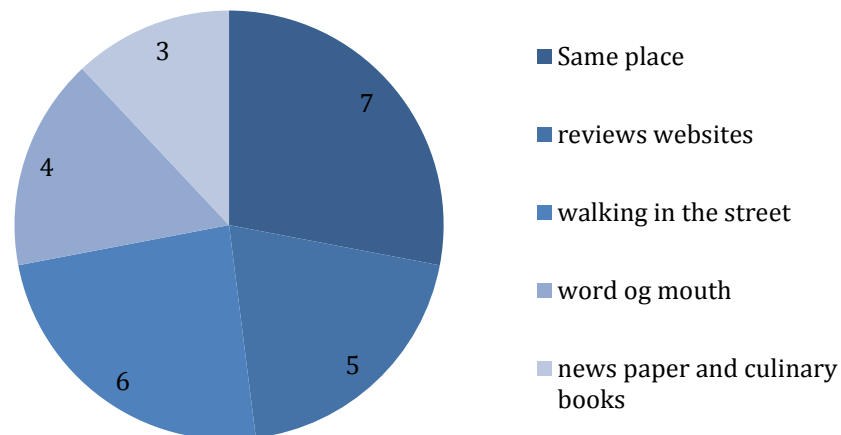

Figure 4 : Families

The results of this research were that 28% of the time, families like to go back to the same place. But this does not exclude the fact that 20% of the families are using more and more reviews websites to try new places, especially the ones with older children. 24% find restaurants when they are walking in the street, in a more spontaneous way, and the rest through word of mouth (12,2%), news paper or culinary guides(9,8%).

3.2.4. Professionals – Business men and women

As stated before, in the survey, a question is about the activity of the respondents, 41,5% of them are professional, meaning that they are employed. Among them 77,7% are aged from 25 to 60 years old.
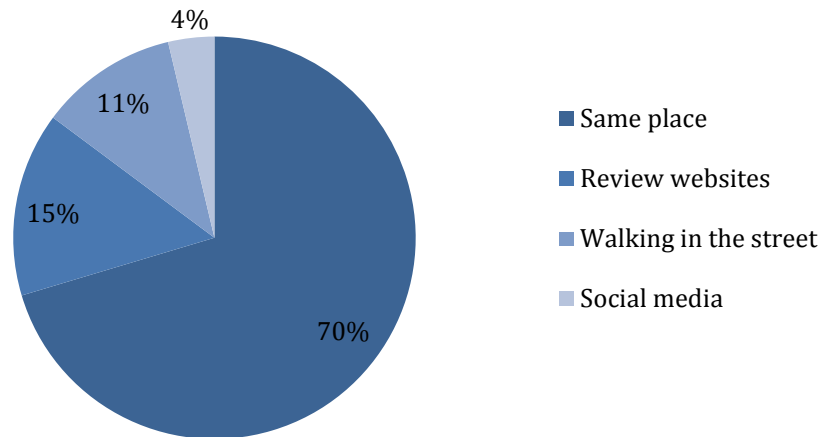
Figure 5: Professionals

In the ranking, this segment of people states that they usually go to the same places, close to their workplace (70,3%). However a few answered that they sometimes use reviews websites, for special occasions like business lunch (14,8%), 11,1% by walking in the street and 3,7% through social media.

3.3. Technologies : Online communication instruments for Restaurants

Knowing the motivation and the global behavior of our target customers, we are now able to imagine how digital technology and particularly the internet can serve our purpose.

The questions to be asked for this subchapter are: what tools are available for restaurants? How can these tools be used to reach our target groups depending on how they look for a place to eat? According to the findings of the previous sub chapters, the most popular ways to look for a place to eat are word of mouth, walking in the street, and the internet in general.

This sub-chapter is presenting the most popular platforms, available for restaurants, as ways of communication and promotion. We start by explaining what are the review websites,

secondly the utility to have an own website, and how the Social Media influence a restaurant's popularity. The last part is dedicated to the usefulness of smartphones applications. Our field research helps illustrate the different platform's effectiveness.

3.3.1. Restaurant reviews websites

At a time where restaurants worry about keeping up with the other businesses from other industries by being visible on the web, new websites specialized in restaurant ratings and reviews emerged. The past ten years, the success of a few of them gave birth to a real new concept; these restaurant reviews websites are now more than a hundred. The idea is simple, these websites allow customers to post comments and rate the restaurants online. Once restaurants are part of these websites, they need to keep up with their ratings and reviews if they want to stay or be successful. Indeed, improvement in the online ratings from clients can make a restaurant up to 49 percent more likely to get completely booked during peak hours (Anderson, M. and Magruder, J. 2012), and therefore improve their revenue by 9 percent in the case of a one star improvement (Luca, M. 2011). Indeed, according to the survey conducted among 71 individuals, 37,1% of the respondent states that they always take clients' reviews on these websites into consideration before choosing a restaurant. In addition to the 54,3% that states that they sometimes take them into considerations, the results confirm the efficiency of an online presence on the web by local businesses. It is by reading the reviews of their clients that restaurants can know what is said about them and thus, improve their services. However it seems that people are reading reviews more than they are posting some. Indeed, 74,6% of the respondents stated that they have never posted reviews of restaurant on the web, whereas 5,6% always do, 12,7% do it only if they liked the place, and 7% only if they did not like the place (Appendix 1).

However, restaurants are not always aware that they are listed on these websites. This can be disastrous for a business. For example on the famous platform TripAdvisor, any client can create a new page of a restaurant and start leaving reviews and ratings. It is important that the restaurants know about the most popular of these rating websites, in order to become aware of what people may say about their business. The restaurant can claim for an official

page and doing so, be able to control it, by checking ratings and reviews regularly and updating the overall presentation of the restaurant page.

To give a concrete example about the use of review websites, we conducted an interview with a Spanish café called Casa Paco. Casa Paco opened its door in 1954 and started to use the internet in 2009. At this time the bar decided to create a Facebook page. Very soon after, the business started to be listed in a few review websites. Once in a while they look up online what is said about their business and check if they are any aspects that they can improve according to their customers reviews. Since they have been listed in review websites, they realized that the place is becoming more and more popular, and counts more and more regulars ("because when we go once to Casa Paco, we always come back!"). They found the review websites essential to improve themselves and satisfy always more their clients. In their opinion, it is important to check these websites regularly, as "it can be dangerous to not know if people are writing bad reviews about your business". However, it has not been a flagrant change. Indeed, Casa Paco has opened its door more than 60 years ago: it had time to create its own image of authentic tapas bar down the street. Casa Paco is listed on the famous Yelp, in which it counts 12 reviews of customers and is rated 4 stars out of 5. It is also listed on Foursquare, in which it has a rate of 8,8/10. Furthermore, Casa Paco is listed on several Spanish websites specialized in referencing tapas bar in Madrid and Spain (ex: cervezamastapapor**madrid**.com/; tapeoen**madrid**.blogspot.com; dontstop**madrid**.com/).

According to the survey, people tend to use Google a lot, since it arrives in first position of the most used websites (22%), followed by El Tenedor (La Fourchette, the Fork) and TripAdvisor with 15,% and finally viamichelin.com used by 11% of the respondents. However, 20 % also replied that they use other websites like Yelp. (appendix 1, figure 9)

These facts and online search allowed us to draw a list of the most used reviews' websites.

Yelp:

Yelp is a major website in the industry. It exists since 2004. It focuses on any types of businesses, giving particular emphasis to the hospitality sector (restaurants, food, nightlife,

bars). With 102 millions monthly visitors in the beginning of 2013, Yelp contains more than 39 millions local reviews. It claims to be a sure website when it comes to reviews left by clients, thanks to the filter that would delete any suspect reviews and prevent fake reviews from businesses themselves. Yelp makes money by posting paying ads from local business listed on the website and uses a 10-point rating system. (Yelp, 2013)

Google+ local (Google Places)

Google+ local derives from the famous browser Google. As mentioned earlier, with such a big success, ratings and reviews websites specialized for restaurants are getting more and more numerous. In consequence, Google decided to launch its own section for local businesses' clients. They can post reviews and comments about what they experienced, tried, liked, and disliked while visiting a (new) restaurant or a local business. Google + local uses a 30-point scale.

Open Table & TopTable (UK and Europe)

OpenTable is different from YELP and Google + Local as it offers, in addition to recommendations and reviews about restaurant, reservation and booking services online. More than 25 000 restaurants from the United States and other countries like Mexico, Japan and more, are listed on the website. TopTable is the European version of OpenTable

Urbanspoon & CitySearch

Urbanspoon was created in 2006. Recommendations are mostly written by critics and food bloggers. Just like UrbanSpoon, the corporation CityGrid Media owns CitySearch. Being an online city guide, the website offers different services such as information, ratings, deals, and reviews on business of the hospitality Industry (restaurants, hotels, bars and clubs), shopping and beauty institutes etc. The competitive advantage of CitySearch is the use of investigators that look for and try for you major local businesses weekly.

Trip Advisor (Restaurants)

Trip Advisor is very often the first website given by Google when you type in restaurant-related key words in the Google search bar. In addition to customer reviews, ratings and rankings, Trip Advisor offers reservation services. Anyone can create a new restaurant page to start reviewing it and post photos. The tool used to search for a place to eat is very detailed; elements such as location, type of cuisine and range of prices can be selected.

El Tenedor (The Fork; La Fourchette) – Interview with the Assistant of CEO Spain – Appendix 4

Created in 2007, El Tenedor, is an online reservation website that offers review and rating services as well as discounts, special offers and recommendations on restaurants in Spain, France, Monaco, and Switzerland. The goal of this Interview is to have an insight on the functioning of such a website.

The website has two ways of recruiting restaurants. First of all, any restaurant can fill in an application form to be part of the website. However, the restaurant needs to meet several criteria: the location ("priority zone": Madrid, Barcelona, Valence); and the price of the meal or the menu ("average ticket": Main course + desert=15€). El Tenedor only accepts restaurants that offer a day menu that fits the criteria. The second way of recruiting is the door-to-door selling or cold calling. El Tenedor possesses a data base of the Top 500 restaurants in the priority zones, which forms the research base. El Tenedor asks the top restaurants if they want to be on the website, and offer them their online reservation software. There are three versions of this software: the first one is for free, and the two other ones are charged, as they offer more options. Restaurants can buy the software without being listed on the website. The sales development department is in charge of forming the restaurants on how to use the software and proving its effectiveness with the goal of selling more paying versions.

El Tenedor's second source of revenue comes from the commission they receive from online reservation by the clients. Finally, it is interesting to know that el Tenedor has a partnership with Trip Advisor. If a restaurant uses El Tenedor's reservation software and is listed on Trip

Advisor, clients are using el Tenedor software to make reservation on Trip Advisor website. (See appendix n°4)

3.3.2. Own business websites

Some restaurants are listed in review and online reservation websites, as it may appear like an easy and little time taking tool to use. However other restaurants choose the option of having their own website. The big chains of restaurant, like famous fast foods, are more likely to have their own websites, usually translated in several languages. However, other small and less popular restaurants are also starting to create their own website. They use it to publish their menus and photos, to offer discounts, and to allow people to reserve online. Free software exists to help any business or individual creating a website or a blog. Among others, Wordpress has proven to be very efficient.

Wordpress allows restaurants to build websites with every essential feature a restaurant might need: pictures, online reservation, menus, location, contact page, smartphone services and many more. Paul Mosing is the web designer of Circa (Melbourne, Australia), and according to him, "the beauty of WordPress is that it allows you to create complex designs, which are ultimately maintained by a client with very few technical skills" (Creativebloq, 2013). In other words, there is no need to be a professional to create and to update an attractive website.

There is also the option of having a very simple website. It is the case of the Bar Casa Paco, located in the district of Moncloa in Madrid, Spain. Casa Paco used the tool offered by the Spanish yellow pages to create a website composed by one unique homepage in which is written the address and contact information, the history of the business, a map from GoogleMaps for people to find the direction, and what type of meals and food they offer. Finally the website is lightly decorated with images of the place. The result is a very simple website that has almost no need of updates and no special features. The fact that it is on the web, allows anyone to find it using the appropriate key words.

Nevertheless, a sophisticated designed website will attract visitors. The website has to be easy to find, easy to navigate on and offer a large range of navigation tabs, such as pictures,

menus, online reservation, contact, maps and home service delivery, that will simplify and make the website looks clear and smart. As mentioned earlier, the goal is to make first impression last. The website of the restaurant is the main representation of the restaurant. It has to reflect the atmosphere and the spirit of the house.

3.3.3. Social networks

With the constant growing success of social networks today, it is becoming more and more important for a business to be present on the most used platforms, such as Facebook. Indeed, being used by a huge number of world citizens, it is from far the best way for restaurants to communicate news, promotion, special offers, new recipes, new menu to their clients, and/or soon-to-be clients. The feature "check in" can be seen as a derivation of word of mouth: friends can see where their contacts are going to eat and might want to try the place too. According to the result of the survey, almost 18 % of the respondents are using Facebook to look for a place to eat.

From own experience, in May 2013, during one entire day, everyone in Spain could have free fries at any Burger King in Spain. The goal of this promotion was to announce and share the change of the fries brand available in the restaurants. This special offer was communicated a few days before, and was said to be applicable only if a certain number of people "liked" the Facebook page of the famous Fast Food. The news created a huge buzz and a big number of people started to "like" and "share" the page in order to achieve the goal and make the offer become real. A few days later, anyone in Spain could enter a Burger King restaurant and ask for free fries!

Of course, big restaurant chains are not the only ones using the social networks. Other smaller businesses like to use them to receive direct comments and reviews from customers.

For example, Casa Paco, already mentioned earlier, started to use Facebook in the year 2009. As it is a platform already used by its employees, Casa Paco let them in charge of updating the page. Today the Facebook page counts 467 fans, and is very often updated: a few times a month are posted some news, some links, some posts to wish happy holidays or just pictures to animate the page. And it works since there is always at least 20 likes on each

post; even if there is not a large number of fans. Clients, occasional or regular, leave a lot of recommendations and reviews on the wall, which are all positive. On the page you can find contact information with address, email, phone number and a link to a map. On the Information tab is written the range of prices, opening hours, the meals, the website address, payment options, and more of Casa Paco's services. Casa Paco considers Facebook to be an entertaining way of communicating with its community and clients. Not having a huge number of fans (467), makes the staff feel closer to them. In the meantime, anyone that has a Facebook account can find the page; and maybe come to try and discover what they have to offer. *(Appendix 3 and online search conducted May 2013)*

3.3.4. Smartphone and GPS applications

With more than 1.08 billion smartphone users in the word (Statistics and Facts, January 2012), restaurants must think about how to reach their clients via this instrument too.

Review websites, as explained in the first part of this subchapter, take an inventory of restaurants and local businesses. Most of them have their own applications that users can download on their smartphones. The point of having such an application is to be able to consult it at anytime and anywhere. It basically has the same features as the website itself except that the design is adapted to the phone. It is easy to use; it has a GPS function, which allows to look for a place to eat anywhere; it has filter options, to specify the kind of restaurant; it may have a notification function, that sends alerts for promotions and special offers; finally the function check in, used by clients to share their location with their friends. Of course, it also has the same features as the web page: write and read reviews about restaurants, do online reservations, and access prices and contact details.

As mention before, the "check in" and "places" functions of Facebook have been available on its smartphone application for a long time already, since it was released in 2010 (Grosocial, 2011). Appearing on the friends users' news feed, anyone can see at what restaurant or local business they are and might be curious to try it too. Many people also like to post pictures of what they are eating and mention in which restaurant it was. These functions are free tools

and the clients usually use them without realizing that they are actually promoting the bar or the restaurant they went to.

The GPS function is a very practical tool for people that prefer to find a place to eat while walking in the street, or if they want to know what restaurants are nearby. It is very practical for tourists, if they want to know what restaurant is next to this museum or this touristic activity.

3.4. Limits of Internet use for Restaurants:

In order for our research to cover more aspects of the internet use, its limits were studied too. The following information was gathered thanks to the interview made with Casa Paco, and own reflection.

Already mentioned earlier in the chapter, the bar Casa Paco ("House of Francisco") is a restaurant located in the district of Moncloa in Madrid, Spain.

According to Casa Paco, it is more important than ever for any restaurants to be present on the web in any way they can. They consider Facebook to be an entertaining way of communicating with their community and clients. Furthermore, they find reviews' websites, essential to improve themselves and satisfy always more their clients. As a minimum recommendation, they suggest any bars and restaurants to check regularly if they are already listed in one of these websites, "it can be dangerous to not know when people are writing bad reviews about your business".

However, Casa Paco would advise to be careful with the use of the internet. Some disadvantages might go on the way of a good online communication strategy. A restaurant must be able to define its own objectives and limits before starting to go online. Indeed, the danger with the Internet could be the loss of authenticity and the degradation of the service and the food quality. Some restaurants, after receiving so many good reviews, have seen their tables booked weeks in advance. This success needs to be well controlled if they do not want to be trapped in the idea of preferring a high turnover instead of high service and food quality. In consequences, the image of the restaurant can change dramatically. People will

start posting bad reviews and tell everyone that the restaurant does not fit with the high ratings and the good reviews they had previously received. In other words, for Casa Paco, the key to a good online marketing and communication strategy is to maintain objectives and not overstep on limits.

Thanks to this desk research and field research, we have now a clear idea of what online tools are available; what can be used and how; and the advantages for restaurants and local businesses to use the internet as a way to be known, to promote their company, increase their revenue, or even save their business in case of financial difficulties due to the crisis.

CHAPTER 4 : CONCLUSION

The conclusion summarizes the results which answer the research question: what services can help restaurants to create a stronger marketing strategy with the use of internet tools?

After selecting our segmentation variables and analyzing the behavior of the chosen target groups, we undertook our research to answer the research question of this paper.

First of all, our desk research and the result of our survey, allowed us to draw a list of the most popular reviews' websites used by restaurants and people. More and more of these websites which are specialized in reviewing and rating restaurants, and sometimes, online reservation, are created and are very successful. The most popular ones are: Yelp, Google+ local, Open Table and TopTable, Urbanspoon and CitySearch, and Trip Advisor.

From our research we also discovered that free of charge and easy to use software is available. It can guide restaurants while creating their website. Therefore, restaurants can create their own website and use it as a service to have a stronger marketing position. The examples given of such software are Wordpress and the Spanish Yellow Pages.

The third type of platform that restaurants can use are the social networks, and more specifically Facebook. The research shows that the platform is also adapted to any business in the Hospitality and restaurant industry. Restaurants can create their own "page" with the possibility to add details about the services, price range and other important aspects that feature a restaurant or a bar.

Finally the use of smartphones application and GPS is more and more popular and allows anyone to have access to restaurants information at any time and wherever data is available.

Reviews' websites, social networks, restaurants' own website and Smartphone applications are four kinds of services that a business can use and take advantage of in order to develop or to improve its marketing and communication strategy and therefore its success. Now that all the important facts of our research are at hand, clear recommendations may be drafted; they can be defined as steps to be followed by restaurants willing to start using the web to revive or give a new start to their business.

CHAPTER 5 : RECOMMENDATIONS

Based on the conclusion, as well as the limits of the internet use for Restaurants, several recommendations may be drawn to help restaurants make better use of the tools available on the Web and improve their online marketing and communication system.

5.1. General recommendations

- Firstly, we strongly recommend to every restaurant, bar and local business, in particular those who do not yet use the internet, to type in the name of their business and their address on the search bar of any browser. The idea is to check whether anyone has already created a page on a reviews' website concerning their business and to take control of the page in question. Indeed, these websites are visited by all sorts of clients, especially tourists who like to find recommendations concerning places to visit during their stay. Such sites are quite useful and helpful to find specific type of restaurants, such as family friendly local businesses or exclusive restaurants reserved for the purpose of business luncheons.
  - o Restaurants which are not already listed should create a page themselves. Indeed, it gives more chances to the restaurants to get new clients.
  - o If the restaurant is already listed in one or several reviews websites, it needs to peruse carefully the comments and ratings by clients and try to keep up with them if they are positive (to have greater chances of being fully booked), or try to improve if comments are negative. In other words, they need to monitor their clients' reviews. The page should be translated in several languages, especially for tourists and foreign visitors.
- Secondly, restaurants need to be aware of the importance of social networks (ex: Facebook). It is a very useful tool for potential customers AND businesses to communicate and build a BtoC relationship. Facebook is used by a large range of people, mostly young adults and students. The trend is to use social networks for the purpose of finding a place to eat or simply to subscribe to local business pages. Therefore restaurants should create a Facebook page in which they can inform

Facebook users about their opening hours, services, address, contact information, reservation, meals, promotion, new products, etc. The key to a successful Facebook page is to update it regularly: we recommend to do so at least once a week.

- Thirdly, restaurants need to make use of the software available in order to create their own website. Not all Internet users have a Facebook account and if a restaurant has an official website, it expands the audience. The website will only need a few updates once in a while in order to give a positive image of a regularly maintained website. It is important to provide qualitative content, in order to maintain or increase the number of visitors. The website should be available in several languages.

- In order to reach that part of the population which is always connected through their smartphone, the application of restaurants is very important. Even if most of the review websites and Facebook have their own application, it is important to mention this tool. Very handy for the occasional visitors who use it as a matter of course, this tool is a must for restaurants. It allows the potential client to pinpoint the restaurant on a map. This way, the restaurant may also communicate announcements on promotion or events, keep in touch with regular patrons about new menus, birthday offers etc.

- We strongly recommend to map out clear objectives when starting to go online: Financial objective? Marketing objective? To keep up with competition? To modernize while staying authentic? To improve communication with clients?

- Once the objectives are clear, it is important to draw the line in order to avoid any bad consequences when developing a new strategy. If the goal is to increase the business, until when will it be big enough? If a restaurant has many good reviews, until what stage will it keep on serving good meals before becoming over confident and diminish the quality of food and service? Is the goal to be fully booked all the year round or just to have a friendly relationship with customers?

In conclusion, Restaurants and local businesses should start to go online or improve their communication methods on the internet. They need to be aware of customers' reviews and use social media in order to raise the number of visitors and communicate with them.

Meanwhile they need to make sure that their objectives remain clear and do not overstep limits which would jeopardize their success.

5.2. Going further, what tool for what group?

In order to write more specific recommendations we need to unify the results and summarize our findings. Based on the four categories of customers, it was decided to divide the restaurants in four groups. Restaurants "S" are the restaurants with more Students, Restaurants "T" are the restaurants with more Tourists, Restaurants "P" are the restaurants with more Professionals and restaurants "F" are the restaurants with more Families.

In the subchapter dedicated to the ways each group of customers are looking for a place to eat, the results were that they use Social networks, reviews websites, word of mouth, touristic guides book and travel agencies, go back to the same place, or they find a place just while walking in the street. The online instruments found to match and meet all these behaviors are described and explained in the next subchapter; there are 4 tools that restaurants can use to improve their marketing strategies. These are:

- Reviews websites: Some of them are updated by culinary professionals; they have the same purpose than newspapers and culinary books.
- Social networks (Facebook): they are also the digital word of mouth as they are communication platforms used by a large number of people (1.26 Billion in June 2013 (Smith, October 2013))
- GPS and applications for smartphones: this tool is directed especially towards the people that like to find a place to eat while they are walking in the street and more spontaneously, but also to communicate offers and promotions via notifications, especially for patrons.
- And the personal websites: they are always mentioned on the reviews websites and on Facebook in the restaurant description if it has one website. Furthermore, most of the time, there is an icon of the popular social media visible on the personal website of the restaurant to redirect the visitors to the different social media platforms. It is meant to encourage the potential client to subscribe to the page of the restaurant.

The information on the graph below was gathered thanks to the results of the survey and the subchapter 3.2. The purpose of this graph is to have a clear overview on the potential effectiveness of each instrument depending on each type of restaurant, themselves depending on what category of clients they are use to. A description was included below the graph to explain the statistics of the figure. The reader can notice that they are only 3 instruments mentioned in the graph, the reason for that is explained further down.
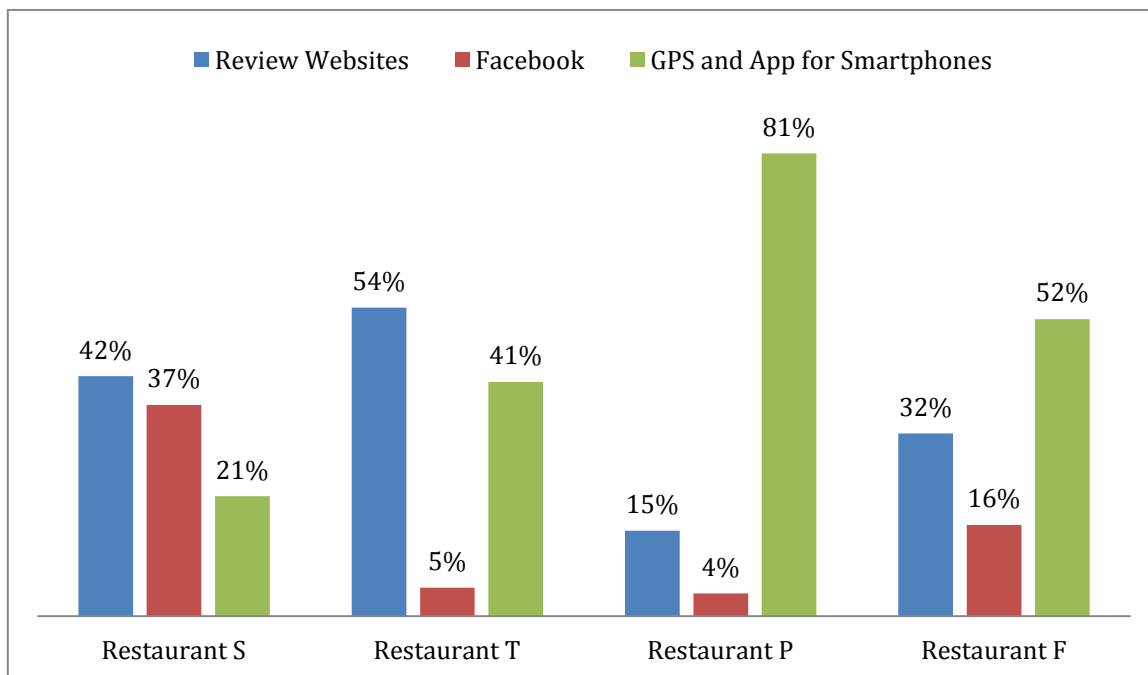

Figure 6 : Online Instruments use per category

The Figure gives an insight of the most used tools per categories.

Restaurant S: According to the figure, review websites and Facebook are the tools that Restaurant S should use in order to attract or keep their student clients. Indeed, there are 23% of the students that are using word of mouth to choose a place to eat (figure 2, page 11). As we mentioned earlier, Facebook is considered to be the digital word of mouth. Therefore, we add the 23% to the 14% that state that they already use Facebook, which

gives us an undeniable grade of 37%. Furthermore, the reviews websites are used by 42% of the respondents.

Restaurant T: As tourists like to use Review websites (31%), touristic guide books (20%) or travel agencies (3%) (see figure 3; page 12), and that review websites are considered to fulfill the same functions, the percentage allocated to reviews websites for tourists is really significant (54%). However, Restaurant T should also consider the GPS and Applications for smartphones as 41% of the tourists like to find a place to eat while they are amidst visiting a place (walking around in the street).

Restaurant P: As we can see on the figure, the GPS and Application for smartphone seem to be the tool that would be the most effective to attract and keep the "professional clients". Indeed, in the figure 5 of page 14, the survey results show that 70% of the respondents are usually going back to the same place. As explained earlier, restaurant's application for smartphones can be very useful when it comes to send notifications and alerts on promotions or events to clients and more particularly patrons and regulars. Moreover, 11% answered that they find a place while walking in the street, which the GPS and Application for smartphones can also be used for.

Restaurant F: Finally the Restaurant F should also take advantages of the GPS and Applications for smartphones, for the same reasons as the Restaurant P. Indeed, according to figure 4 of page 13, 35% of the respondents answered that they like to go back to the same places and 25% of them answered that they like to look for a place while walking in the streets. For families it is always nice to enjoy promotions and offers, and sending them notifications and alerts to encourage them to come is a good way of marketing a Restaurant F.

Personal website is the base of online presence for any business. As explained in the first part of this chapter, personal websites are a good way to let people without a Facebook account know about the place. From the moment the restaurant has its own website it is very likely that it will be mentioned in all the other platforms. In the other hand, it has become more common for restaurants websites to link their Facebook or Yelp pages for example via an

icon, which allow visitors of the website to visit their social media page and eventually subscribe to them to receive news feed. Therefore, a personal website is a platform that is recommended to every restaurants no matter the type of clients they usually have and for all the other clients that visit them.

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APPENDICES

Appendix 1 : Online Survey Results

Table 1: Gender

Female	40
Male	31

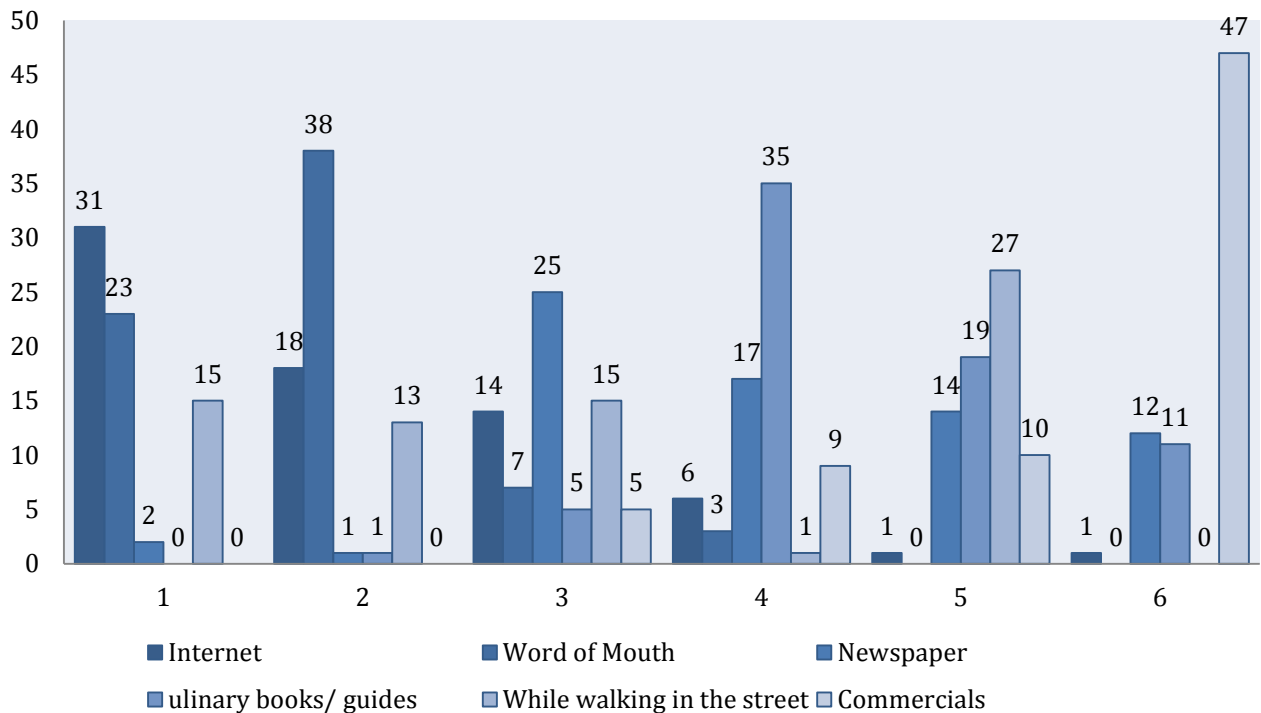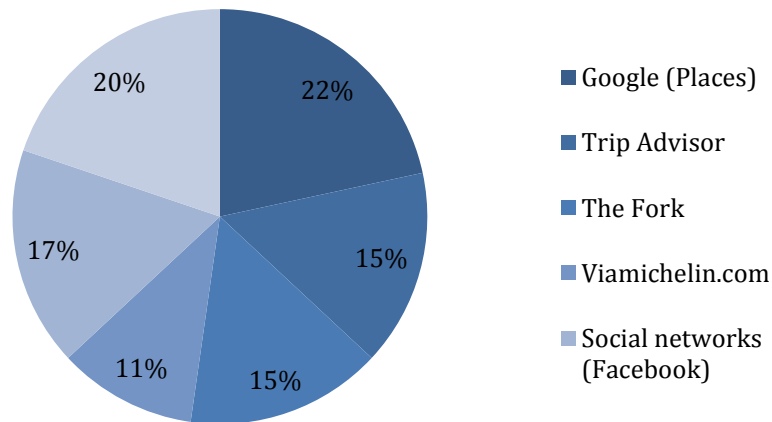**Figure 7: Age**

Table 2: Occupation

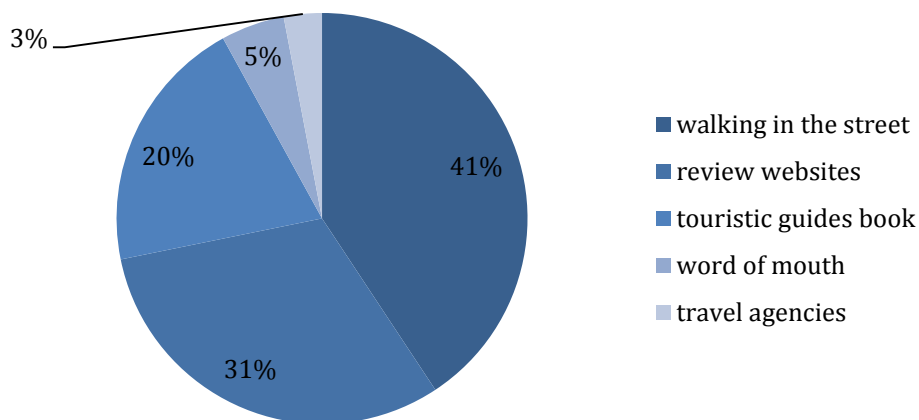|	
Student	38
Professional	27

Out of the 71 respondents, 40 were women and 31 were men, and the majority of them are between 19 and 24 years old (36 respondents). This number can explain the fact that the majority of them are students, since they represent 58,5% of the total number of respondents.

Figure 8: What means do you use to look for a place to eat? (rank from 1 to 6)
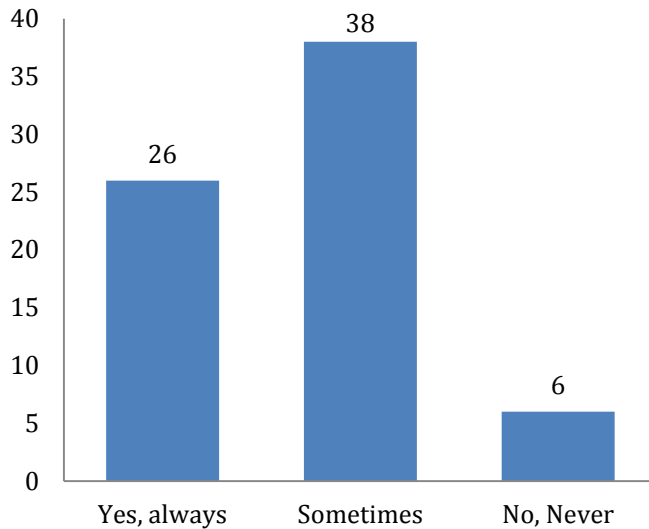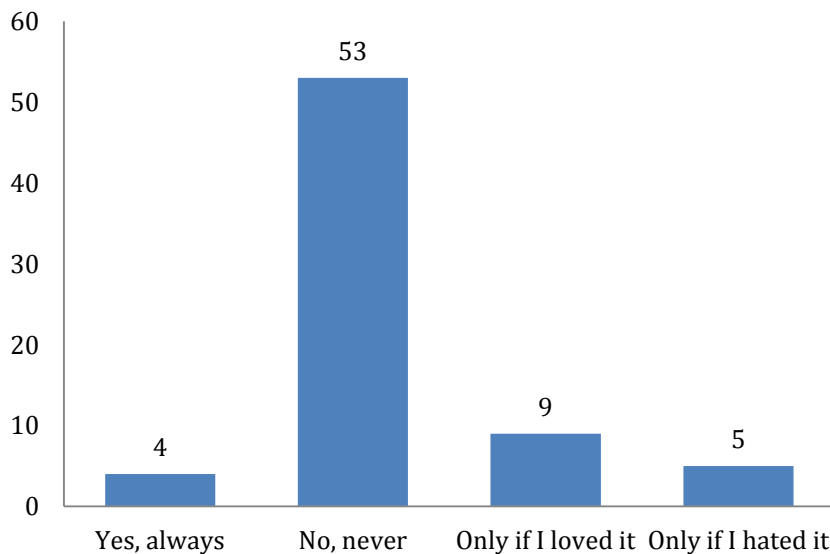

The above table shows us the classification made by respondents about how they look for places to eat. The important information that we have to retain here are on one hand, the biggest numbers for each rank. Meaning for the rank 1 : Internet, rank 2: word of mouth, rank 3: newspaper, rank 4: culinary books and guides, rank 5: walking in the street, rank 6: commercials. Because it represents the ranking the most people agreed on. However, on the other hand, the 3 biggest numbers that appear on the 3 first ranks are also very important, because it shows us the most popular ways of looking for a place to eat. Out of this graph we can affirm that the 3 most popular ways of looking for a place to eat are the Internet, word of mouth and walking in the street.

Figure 9: What websites do you use to look for a place to eat?

This figure is specific to the use of the Internet. Unfortunately the tool used to make the survey did not allow the respondent to add other websites. Therefore we had no choice but to offer a few options. Nevertheless, the goal of this question was to have an insight about the use of review websites and the social media. Considering Google place, Trip advisor, the Fork and viamichelin.com, as review websites, we can say that the review websites represents 63% of the platforms used to look for a place to eat.

Figure 9 : When you are on holidays, how do you look for a place to eat?

In order to get information about how do tourists like to organize themselves to find a place to eat, we included in the survey a question about the behavior of our respondents when they go on holidays.

Figure 10: Do you take customers' reviews into consideration?

Figure 11 : Have you ever posted reviews to recommend (or not) a place?

These two last figures are about reading and posting reviews on review websites. It is interesting to see that even though the majority of the people (74,6%) do not post reviews on these websites, they are more than likely to take the reviews of others into consideration.

Appendix 2: Who goes to the restaurants?

This table takes an inventory of the restaurants' answers to the question: What are the 4 most representative groups of customers coming in your restaurant? The 10 restaurants are located in The Hague and were interviewed by email or in an informal way, via the waiters and waitress:

Table 1 : Categories of clients for each restaurant

Restaurants/Category	Professionals	Students	Families	Couples	Tourists	Expats
Pastis,	X		X	X	X	
Gauchos (Den Haag)	X		X	X	X	
Los Argentinos	X	X	X		X	
Burgerz		X	X	X		X
Le Bistrot de la Place	X			X	X	X
Dudok	X	X	X		X	
Zèta		X	X		X	X
Troubadour	X	X		X	X	
Vapiano	X	X	X			X
Sumo		X	X	X		X
TOTAL	7	7	8	6	7	5

Appendix 3 : Interview with Casa Paco answers:

The interview took place in May 15th, 2013, in the Bar Casa Paco, Madrid. Casa Paco is a very typical and authentic bar that offers Spanish food, such as tortillas and croquetas thanks to which they are now famous for. As it was not recorded, there is no script, however notes were taken. The interview was informal. Questions were asked when only a few clients were in the restaurant. The interview was in Spanish, here is a translation of the notes.

* Opening year of your restaurant?

Casa Paco opened its doors in the year 1954.

* Since when have you started to use internet?

The creation of the Facebook fan page was the first step in 2009.

* Do you often post news, promotion, any texts or pictures, to communicate with your customers or future customers on your platforms?

Facebook is the favourite website of casa Paco because they have a close relationship with their clients. They like to post news and articles once in a while about what is said about Casa Paco.

* Do you have an employee responsible for your internet communication?

The employees of CasaPaco knew how to use facebook before they created a page for the bar, so they offered to take care of it. But mostly everyone in the team is checking regularly, especially on the reviews websites.

* What changed since you have started to use the internet?

They see more and more new faces, and more expats or internationals. But then these people come back regularly. ("when we go once to Casa Paco, we always come back!").

* Do you think that nowadays, it became mandatory to be present on the web whatever the business you are in?

Yes, it is something inevitable; Internet will never stop to have more and more users. But it is also fun and makes the clients happy. It allows CasaPaco to have a special relationship with the clients.

*What would you advise to restaurants wishing to go online?

They need to be careful to not lose themselves into the spiral of success. For example, always be careful to maintain the level of quality over the quantity. It is very important to update and to answer questions asked by the internet users: have a very good "customer-care" service. They recommend to be careful with the review websites too:"It can be dangerous to not know when people are writing bad reviews about your business".

Appendix 4 : Notes from El Tenedor Interview

The interview took place on the 20th of May, 2013 in Madrid. The interviewee is an intern for 6 months at el Tenedor Spain. He was the CEO assistant and also worked with the sales department. The interviewee explained to us the functioning of the company. The interview took place in French; here is a translation in English of the notes taken.

El Tenedor was created in 2007 (France and Spain). It offers two types of services, one for the customers that can reserve online and post reviews, but mostly it is for the restaurants that can register on the website themselves. However there are some conditions that need to be fulfilled. The first one is to be part of the priority zones (Madrid, Barcelona, and Valence). The second one is to have an "average ticket" (main course + desert = 15€). If the restaurant is outside the priority zone, the average ticket must be between 20€ and 30€. Furthermore, they do not accept bars. El Tenedor also contacts restaurants directly via cold calling and ask them if they would like to be part of the website. These restaurants are listed in the Top 500 restaurants database, which is regularly updated. They also suggest that they use el Tenedor's software to make online reservations. This software is the main revenue of the company. There are three versions of the software among which one is free of charge and the two others are paid.

The business developers of the company are responsible for the priority zones restaurants and they manage the incoming requests. On the other hand, the Sales department takes care of the other regions of Spain. They are also responsible for training the restaurants on the use of the software, with the goal of selling the charged versions.