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Interaction with customers: The Application of Social Media within the Austrian Supply Chain for Food and Beverages

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ABSTRACT

Social media marketing has become a powerful tool of interaction with stakeholders. An increasing number of companies are using social media platforms to initiate active interaction and communication with current and prospective customers. Within this study, certain content and contact features, as well as social media activities of companies of the Austrian food and beverage industry were evaluated. Empirical findings concerning the threats, risks, and opportunities connected with the application of social media are presented. The results imply that social media applications are innovative alternatives for customer relationship management. However, more knowledge on how to properly use social media marketing seems to be necessary

Keywords: Web 2.0, food industry, communication, social media

1 Introduction

During the past decade, the growth of social media applications and their acceptance by the society was impressive. Meanwhile, social networks like Facebook or audio and video sharing platforms like YouTube register hundreds of millions hits every day, and entered – together with other applications like podcasts or newsgroups – the every day life of a large proportion of the global population. These applications are often referred as "Web 2.0". An increasing number of companies have started to actively make use of the opportunities of social media in order to get in contact with existing and potential customers. As Vos and Verbeke (2013) point out, "Companies that are not yet active on these [social media] platforms will unavoidably run behind their competitors that have embraced social media in their marketing strategy and in their communication to customers and other stakeholders". In this contribution, we will analyze the application of social media by companies from the Austrian food and beverages market. The main issues of the study are twofold:

(1) We analyzed to which extent companies actively use social media applications for marketing purposes. We recorded and evaluated social media activities of the Austrian food and beverage industry (quantitative survey; Moosbrugger, 2010).

(2) Confirming Rutsaert et al. (2013) the "use of social media as a communication tool is not without its pitfalls and challenges". Therefore, we conducted qualitative interviews in order to get deeper insights into the quantity and quality of these activities (Magdits, 2012). As a result, potentials and risks connected with the application of social media could be deducted. By combining both results, it is possible to assess the actual state within the Austrian food and beverage industry and to demonstrate preconditions for an effective customer relationship management via social media.

1.1 Research question and methodology

The mentioned research goals of this study leads to the following research questions:

(1) To which extent do Austrian companies in the food and beverage industry use social media for marketing purposes?
(2) What are the potentials and risks of the application of social media?

The first research question was answered by analyzing corporate websites. Objective information was evaluated using criteria related to (Moosbrugger, 2010):

a) **Website content criteria**: availability of information about the company background and information about products/services, FAQ section (frequently asked questions), imprint (confirming Austrian media law §24), internal search application. For instance, FAQs are an excellent example how companies can benefit from web content as well: they are not forced to answer the same questions over and over again, customers can easily refer to a standardized question and answer section (Bartel, 2004).
b) **Website interactivity criteria**: availability of direct communication possibilities ([personalized] E-mail addresses, phone numbers, feedback form, corporate newsletter, etc.), integration of social media into the corporate website, reference to social media actively used by the company

The relevant information was analyzed with respect to several descriptive variables, namely business field of corporate activity and company size. We assumed that the extent to which social media are applied are depending on these variables. In total, 253 Austrian companies were analyzed covering the whole food supply chain on an industry level. Some authors call this method "snapshot analysis" as the analyzed content quickly changes and some information is only available for a limited time period (Bauer and Scharl, 2000).

Research question (2) was answered by interviewing relevant experts from the supply chain. We conducted qualitative expert interviews with managers from the food and beverage producing industry and from food retail trade (Magdits, 2012).

1.2 Structure of the study

The following literature review delivers information on Web 2.0 and different forms of social media applications. We will discuss the importance of these applications for marketing purposes especially due to a significant change of media consumption patterns within the population. After the theoretical part we will present the empirical analysis to answer research question (1) and (2). We will show to which extent social media are used within the Austrian food and beverages industry. Potentials and risks of the application of social media are presented. The final chapter summarizes conclusions for corporate communication strategies out of our empirical findings including a comparison with theoretical findings.

2 Web 2.0 and social media applications

If we discuss Web 2.0 applications we have to understand "that the network [the Internet] is the platform. And on the network as platform the rules for business are different. And the cardinal rule is this one: users add value" (O'Reilly, 2007). As a consequence, applications, which help users to generate content that is important for them, will have more acceptance and more registrations compared to traditional content oriented applications. The most important social media applications with the highest numbers of users (like Facebook or YouTube) impressively show how user generated content could lead to worldwide usage and acceptance. It can be said that the philosophy of Web 2.0 applications is to make it easy for people to deliver all kind of information to other users (Schiele et al., 2008). In fact, the Web becomes a "highly social utility" (Bernhardt and Simon, 2008).

The buzzword "Web 2.0" describes all kinds of Internet applications containing user-generated content, namely weblogs, wikis, forums, audio/video sharing platforms, and social networks. The main difference to the Internet of the late 1990ies until the dot-com bubble in 2000/2001 is that in that time only few user generated content could be found in the Internet. Companies and other organizations provided most content, passively consumed by interested individuals. After the dot-com bubble, enhanced technologies were introduced (like significantly improved search engine technologies, wireless connection to the Internet, high speed connections, considerable higher bandwidth and data transfer rates, etc.). More and more households got Internet access. Both developments led to a change in the view of what the Internet

could be. It became an active platform for personal communication and interaction with other users and/or organizations, in other words: users started to generate content. In fact, this user-generated content is the most essential attribute of Web 2.0 (Mühlenbeck and Skibicki, 2007). The improvements in the Internet in the early 2000s and the increasing number of participants in the networks also led to an amazing boost in the number of Internet sites (domains), from about 250000 in 1996 to about 80 million only 10 years later (Hinchcliffe, 2006). The assumption is that by the end of 2011 between 300 to 600 million domains are registered worldwide (main sites, not single Internet pages).

2.1 Social media applications

The most important characteristics of Web 2.0 are according to Holtz (2006): Everybody is a publisher and everybody is connected to everybody else. By participating in online communities and creating content actively, users are becoming the most important part of the Internet by using social media applications. Social media can be classified into three fields of application: (1) communities, (2) entertainment applications, and (3) information providers (Berge and Bueschnig, 2008). The most popular social media platforms are:

- Weblogs: more or less an online diary that contains chronological entries of a blogger; by the end of 2008, estimated 350 million users were reading blogs, and 184 million had started their own blog (Zarella, 2010); the main aim of weblogs is the provision of information to the public and the discussion about it with other users.
- Microblogs: short text messages with about 140 characters, comparable to SMS, distributed to registered users easy and fast via the Web; the most popular service is Twitter with actually more than 200 million active users (Twitter, 2013).
- Wikis: social software (information providers), designed to share information delivered and edited by users, comparable a content management system with text, pictures, audios, videos, etc.; most popular: Wikipedia, attracting 483 million visitors each month (last statistics from April 2013; Wmflabs, 2013).
- Audio/video sharing services: websites where user generated content (audios/videos) are hosted; most popular: YouTube, founded in 2005, about 1 billion visits each month (Youtube, 2013). Usually, the entertainment function has the highest priority for these platforms to attract Internet users.
- Social networks: Meeting places for registered users, where personal information (profiles) is voluntarily shared with others and other users can easily be found and added as (virtual) “friends” to personal networks, mainly maintained via the Web. Most popular sites are, amongst others, Facebook, Google+, LinkedIn. Most people share social networks to join online communities (only few for doing business; Safko and Brake, 2009). However, more and more companies are using social networks to get in contact with their customers.
- There is a number of other social media services available in the Internet, like Podcasts, News Feeds, etc.

Especially social networks show how companies can make use of Web 2.0 applications for communication purposes. This goes back to the so-called “Small World Phenomenon” described by Stanly Milgram. According to this theory, it is possible to find a communication path between any two American persons with a maximum of six other American persons in between (Szugat et al., 2006). Today, 40 years after Milgram’s experiments, experts assume that we are only five steps away to contact any other person worldwide, mainly due to social networks (Watts, 2004). This clearly shows that especially social networks may change the ways of communication between companies and the public.

People changed their way of consuming information. The importance of traditional mass media like newspapers, TV, and radio decreased. Web 2.0 delivers a number of low budget opportunities to provide information to the interested public also, in particular via their mobile devices (Hagenmüller, 2007). Meanwhile, there are more mobile devices in usage than PCs (Iltgen and Künzler, 2008). Information can be delivered to the public with no restriction of time and place. During the last years, information reception via mobile devices increased by leaps and bounds. However, this development requires different strategies on how information is provided.

Different reasons can be identified why companies try to benefit from the application of social media (Bagusat and Hermanns, 2008; Kahar et al., 2012): acquisition of new customers, evaluation of customer preferences, increasing customer loyalty and repurchase rate, and, finally, as a management tool (enhance lead member relations and business partner relations for specific tasks like innovation management). Confirming Rutsaert et al. (2013) “New communication tools have become gradually integrated in – mostly commercial – food-related communications”. Within this study, the focus lies on the introduction of social media for improved customer relations with end users.

2.2 Importance of Web 2.0 services

Depending on the world region, Internet penetration (the proportion of the population with access to the Internet) varies between only 16% in Africa to 60-80% in most developed countries (Internetworldstats, 2013). In Austria, the empirical field of this study, about 80% of the total population is actively using the Internet (Integral, 2012), 73% several times a week.

Social media are meanwhile responsible for a significant part of the total Web traffic. In 2006, social media caused 2% of the total Web traffic; only one year later, this proportion rose to 12%. Confirming the Boston Consulting Group, half of the US Internet users actively seek for shopping information via social networking sites and online reviews have a significant influence on the acceptance and on sales of products and services. This clearly shows that user generated content might effect companies significantly even though a company is not actively using social media.

It has to be taken into account that usual media consumption patterns have changed during the last years dramatically. In 2006, an average German spent about 235 min. watching TV, about 186 min. listening to radio programs and 48 min. per day in the Internet (Austrian user patterns are assumed to be comparable). Only three years later, consumption of TV and radio decreased slightly, time spent in the Internet rose to 70 minutes each day, an increase of about 45% in only three years. Nowadays, about 83 minutes a day are spent in the Internet (ARD/ZDF, 2012; van Eimeren and Frees, 2012).

However, there is a "generation gap" concerning the usage of social media. Almost all young people (14-19 years of age) are using applications like Wikipedia, audio/video sharing and private networks. This proportion decreases steadily with growing age of the Internet users and reaches its low with the 60+ generation. This is also connected to the general tendency of Internet usage: the 60+ generation is by far the group with the lowest proportion of Internet usage (below 40%; van Eimeren and Frees, 2012).

A further important outcome of these (and related) studies is that consumer patterns have dramatically changed in view of the technology. As mentioned before, much more consumers nowadays consume Web contents via their mobile devices; confirming van Eimeren and Frees (2012) the application of mobile devices via mobile devices (smartphones and tablets) rose from only 4% in 2008 to 22% in 2012.

2.3 Application of social media by companies

This clearly shows that actual developments and conditions have to be considered by companies if they want to benefit from using social media in their communication strategies. Confirming Erdogmus and Çiçek (2012) the accurate adoption of social media has a positive influence on brand loyalty. Compared to other mass media, social media can be applied at relatively low cost. An active interaction with customers is possible. Active interaction is almost infeasible if only traditional mass media like TV and radio broadcasting are used. Companies can get into online communities; they can be an active part of these communities and benefit from the whole range of communication opportunities. However, activities within the Web are not risk free: If companies fail to develop adequate communication strategies, customers might actively damage their reputation by communicating negative opinions, discussing with others about their negative impression of companies, etc. If companies are eager to get opinions outside their own organization (crowdsourcing), this might be beneficial to get deeper insights into views and opinions of customers. However, one has to be aware of the risk of loss of reputation if the customers start to discuss negatively. Quite often, this is out of control of the affected organizations, even the reputation of a whole sector may suffer from social media campaigns like it was done in the meat sector (Boehm et al., 2010).

3 Analysis of the application of social media by Austrian food and beverage companies

3.1 Recording unit and hypotheses

The industrial food and beverage enterprises that are member of the Austrian Federal Economic Chamber (WKÖ) define the universe of this study. In total, 839 companies are listed in the WKÖ database (in 2010). The database was adjusted by mills and by seed, fertilizer, depository, energy, pharmacy, tobacco, condiment, and animal food companies. The remaining companies form the group of food and beverage companies in the WKÖ database, the research unit of this study.

Subsequently, we analyzed if the application of social media correlates with company size. The total sample was divided into companies with higher sales (according to the TOP 500 list of Austrian companies with sales beyond 134.7 million Euros in 2008) and lower sales (below 134.7 m), abbreviated as "LS companies" and "HS companies". It has to be mentioned that LS companies are not really small, of course

(compared to small and medium sized enterprises, SMEs); we analyzed the most important and dominating companies in the Austrian food and beverage market, registered in the WKÖ database (industrial sector).

The group of companies with higher sales contains 52 enterprises. The group with lower sales includes 201 companies. The core assumption is that the low cost of social media (compared to traditional mass media) are an important incentive especially for smaller companies. This relation was especially emphasized in various publications (e.g. Kim et al., 2010; Kaplan and Haenlein, 2010). Social media allow smaller firms to outsmart big brands and compete with them without making huge investments (Zarella, 2010). Therefore, we assume that particularly smaller companies of the Austrian food and beverage industry apply social media for marketing purposes. This assumption leads to Hypothesis 1:

H1: "*Companies of the Austrian food and beverage industry with lower sales are more actively using social media for marketing purposes compared to companies with higher sales*."

This assumption does not imply the assumption that LS companies invest higher budgets in the application of social media (we had no insights into the investments made by companies). H1 only refers to the general application of social media in connection with the company size.

Another assumption is that the extent to which social media are applied depends on the relevant business field the company is active in. The companies were classified into baking industry, beverage industry, dairy industry, manufacturing industry, meat processing industry, and retail industry. This leads to hypothesis 2:

H2: "*The extent to which an Austrian food and beverage company uses social media for marketing purposes is dependent on the business field the company is active in.*"

To test these hypotheses, contingency tests were conducted using the two-sided Fisher exact test (for a 2x2 matrix) and the Pearson chi-square test (for all other cross tabs), as categories have to be compared (HS vs. LS, business field, interactivity possibilities). If the significance level is below 5% ($p < 0.05$), a significant coherence between the tested variables can be assumed (Backhaus et al., 2003).

The study was finished in 2010. The actual situation will have changed (see below). However, the results clearly show the importance of social media in the communication strategies of the analyzed companies. The actual state is covered by the analysis of research question 2.

3.2 Analysis of corporate websites

Out of the 253 companies, 230 provided a working website. These websites contained the following contents (n=230):

- 224 delivered company background (97%)
- 225 delivered product information (98%)
- 36 provided a FAQ-section (16%)
- 204 companies provided the legal requirement of imprints (89%)
- 70 companies provided a search application (30%)

As most websites are not providing FAQ and search opportunities, the majority of the analyzed corporate websites could be improved in view of user friendliness. Visitors can find relevant content much easier if these facilities are available. LS companies clearly fall beyond HS companies confirming these applications. While about 60% of all HS companies provide a search application and about 30% even FAQs, only about 21% and 10%, respectively, of LS companies offer these facilities on their websites. In total, about 90% of the 230 Websites contain a general mailing address and phone numbers, 85% contain a general E-mail address. A standardized contact form is provided by more than half of all companies (54%), a newsletter only by 21% of them. Here too, LW-companies have much lower percentages especially referring to newsletters, additional phone numbers and E-mail addresses (about half the percentage of HS companies). Probably, most of these differences are due to a lack of financial and personnel resources (e.g. for the creation and maintenance of newsletters).

Nevertheless, the proportion of companies providing this type of information is much higher compared to the proportion of companies in the Austrian food and beverage industry actively using social media. The percentage here lies between 0% and 23%. Table 1 clearly shows that only few companies within the industry applied social media until 2010.

Table 1.
Application of social media by Austrian food and beverage companies

	total	Total %	HS	HS %	LS	LS %
Weblog	4	1.7%	2	3.8%	2	1.1%
Microblog	2	0.9%	2	3.8%	0	0.0%
Wiki	0	0.0%	0	0.0%	0	0.0%
Social Network	15	6.5%	8	15.4%	7	3.9%
Audio/Video Sharing	53	23.0%	25	48.1%	28	15.7%
Podcast	0	0.0%	0	0.0%	0	0.0%
RSS	11	4.8%	7	13.5%	4	2.2%
N	230		52		178	

HS … companies with high sales (Top 500); LS … companies with low sales (< €135 m)

Taking a closer look at the most applied category, audio and video sharing, it can be said that companies usually distribute exactly the same advertising messages they already broadcasted via mass media. However, this contradicts to some extent the philosophy of social media (two way communication). All other social media activities were not fully developed in 2010. However, an actual re-evaluation of the data clearly shows that most of the larger companies now actively use social networks, especially Facebook. Obviously, larger food and beverage companies have realized during the past two years that it is absolutely necessary to be present within social communities.

Table 2.
Distribution “Net Sales” and “Audio/Video Sharing”

		Net Sales		
		HS	LS	Total
No	count	27	150	177
Audio/Video	expected	40	137	177
Sharing	% within Net Sales	52%	84%	77%
Audio/Video	count	25	28	53
Sharing	expected	12	41	53
	% within Net Sales	48%	16%	23%
Total	count	52	178	230
	expected	52	178	230
	% within Net Sales	100%	100%	100%

HS … companies with high sales (Top 500); LS … companies with low sales (< €135 m)

Table 3.
Chi-square tests "Net Sales" and "Audio/Video Sharing"

	Value	df	asymp. sig. (2-sided)	exact sig. (2-sided)
Pearson Chi-square	23.744	1	0.000	
Likelihood Ratio	21.377	1	0.000	
Fisher's Exact Test				0.000
Valid cases	230			

Smaller companies still seem to be less interested in social media – or they do not have adequate know how and/or resources. This finding clearly contradicts the above mentioned assumption that smaller companies can particularly benefit from social media.

The related hypothesis H1 cannot be supported. Although the statistical analysis of the cross tabs clearly supports H1 (two-sided Fisher exact test for a 2x2 matrix; see Table 3) – there is a significant relation between the company size and the application of social media (see exemplarily for audio/video sharing in Table 2) – but *not smaller companies* are more active in applying social media for marketing purposes. Obviously, the effective use of social media requires adequate know how and resources and cannot be applied "alongside". Based on our empirical research, this pre-condition seems to be rather fulfilled by HS companies; LS companies might fall short because of restricted resources. The outcome of all chi-square tests can be taken from Table 4.

Table 4.
Cross tab analysis "Company Size HS/LS" and "Application of Social Media"

Fisher exact test	Chi-square test	p Value
Weblog	1.746	0.221
Microblog	6.906	0.050*
Social Network	8.657	0.007**
Audio/Video Sharing	23.744	0.000**
News Feed	11.114	0.003**

* significant with $p < 0.05$
** significant with $p < 0.01$
Source: Moosbrugger (2010)

The second assumption summarized in hypothesis *H2* (the application of social media depends on the relevant business field) cannot be fully supported. Only for audio/video sharing significant differences could be found. This is mainly due to the fact that, in particular, the trade sector was much more active compared to the other business fields in the market. This could be due to the fact that the competition of the "Big 3" in the retail sector is huge (comprising more than 80-85% of the total market share in Austria). These companies actively seek differentiation opportunities; amongst others, the application of social media is one possibility.

Table 5.
Cross tab analysis "Business Field" and "Application of Social Media"

Pearson Chi-square	Chi-square test	p Value
Weblog	3.800	0.579
Microblog	8.459	0.133
Social Network	5.930	0.313
Audio/Video Sharing	11.592	0.041*
News Feed	5.772	0.329

* significant with $p < 0.05$
Source: Moosbrugger (2010)

However, as mentioned before, two years later the situation has slightly changed and more and more companies are actively integrating social media into their marketing strategies. Confirming Magdits (2012) actually 15% of all companies are actively using Facebook (Austrian food and beverage industry), 2.3 % are applying the microblog service Twitter (almost all of these companies are using Facebook *and* Twitter). The sample is almost the same with n = 264 and covers all food and beverage companies that are still in the database of the WKÖ. In comparison with a 6.5% coverage rate in 2010, this proportion has more than doubled within only 2 years. Differentiation by applying social media is still possible – the vast majority of companies in the food and beverage sector is still not using social media for marketing purposes –, but it gets more difficult. It is the quality that matters. This leads to the second part of this study, research question (2).

3.3 Application of social media: potentials and risks

To analyze potentials and risks four managers out of the sector were interviewed. They can be considered to be true experts with practical knowledge for our research topic. The experts came from the following businesses: Private label (retail trade), production of sweets, bread, and mineral water. All experts are responsible for brand management and/or marketing in general (on an upper hierarchical level within the organization). Based on this limited number of interviews, the following results have to be interpreted as assumptions. They are hypotheses, first hints about how social media could be successfully used for marketing purposes and which potentials and risks are connected to their application.

The results were merged by use of a qualitative content analysis confirming Mayering (2002), including literal transcript, aggregation of the material incl. deleting marginal contents, analysis of single interviews, recapitulatory analysis, and generalization.

All experts stressed that they decided to apply social media for marketing purposes because they wanted to proof the innovative and up do date character of their company. As soon as social media are introduced into the communication strategy of a company, adequate resources and know how are mandatory.

In particular, younger people can be reached via social media. An intensive connection to potential customers of the future shall be established. More or less, social media are considered to be one *additional* communication channel, only one expert emphasized that social media are a core instrument of the corporate communication activities. The following potentials can be achieved via the adoption of social media:

Interactivity: A true interaction with customers, a two-way communication, can be established (intensive interaction and dialogue with customers). Opinions, expectations and attitudes of customers can be surveyed at comparable low cost. Feedback can be gained by target groups. This is consistent with findings in literature that a high level of interactivity can be reached on websites allowing users to actively exchange information on the site (Sicilia et al., 2005).

Contents: Companies are able to tell complete "stories" and explain their products and services and their visions. The introduction of new products and brands will be facilitated. Social media can be applied for a broad diversity of contents (new products, social issues, visions, trends, entertainment, etc.). Considering Aaker's (1991) statement of the early 1990ies, "that it is more difficult to build brands today than it was only few decades ago", the value of being able to unconventionally promote and explain new brands is huge.

Effects: Usually, social media are integrated into the marketing strategy of a company. By doing so, higher involvement and consequently higher loyalty of the customers is possible. Brand loyalty is supported. Target groups can be identified and are easily accessible, especially younger ones. In particular, these groups changed their media consumption patterns. Less and less time is spent with the consumption of traditional mass media, Web 2.0 applications are gaining importance (van Eimeren and Frees, 2012), a lot of information is consumed "on the way", via mobile devices (see above).

In general, the risks that are connected with the application of social media are assumed to be rather low. However, the experts identified some important threats. These threats are mainly due to an inappropriate application of social media:

Target groups: The assumptions of which topics are of interest for target groups can be wrong. Usually, target groups will not consider all stories as fascinating and suspense-packed. Most of the topics are not exclusively elaborated for Web 2.0 applications. Confirming Zschau et al. (2002) ineffective resource allocation as well as delayed content updates are in most companies due to the fact that those employees, who deliver content, and those employees, who put the new content online, are usually not the same.

In general, the topics of the company's marketing strategy are used for all marketing channels. Different messages between social media and other communication channels are possible.

Reaction: The reaction of the community is not controllable (and not always predictable). Even "bashing" of companies in social communities is possible and out of control of the company. Furthermore, it is questionable if customer loyalty can be increased by use of social media. And – most important – the lack of transparency, openness, willingness to accept criticism, frankness, and false reactions of companies are extremely problematic and might lead to unwanted reactions within communities. The same can be assumed if the reaction time is too long.

Know how: A lack of in-house knowledge for a professional use of social media is reducing its effective implementation significantly. Unprofessional communication strategies are always risky for companies. Reactions of users on this kind of communication are unpredictable and might lead to unwanted outcomes.

Confirming the interviewed experts, the application of social media will not replace traditional communication channels like TV or radio. Social media will become a fixed part of the communication strategy. Users decide voluntarily to get in contact with an organization. A real two-way interaction is possible. However, in order to motivate customers to interact via social media, specific requirements were identified, amongst others: individualization of messages depending on communication channels (in view of target groups), transparency, frankness, willingness to accept criticism including adequate (in-time) reactions, and professionalism. One important mistake a company can make is to introduce social media (e.g. Facebook) without spreading company related information or other topics of interest on a regular basis. Static alibi accounts may even damage the reputation of a company.

Table 6.
Key figures for selected Austrian food and beverage companies (2013-01-23; 14:55)

Business field	Sweets	Mineral water	Meat	Private label	Retail trade
Fans on Facebook	15818	34405	1123	42240	74247
Talk about it	402	745	65	181	8955
Last message	1 day	4 hours ago	4 hours ago	36 min ago	3 hours ago
Company size	HS	HS	LS	HS	HS
Contributions since 01.01.	11	17	5	27	17

The frequency of published messages has to be rather high in order to keep users interested in the company. Exemplarily, Table 6 contains key figures for 5 different companies from Austria concerning

their activities on Facebook. These companies are quite successful in their social media strategy. As we can see, they are publishing actual contributions on a regular basis. All companies entered Facebook in 2009. Except one company (the smallest one), these companies attracted a large number of interested users to become “fans”. The high number of fans talking about the retail company (almost 9000) seems to be explainable as retail trade organizations are confronted more often with complaints, suggestions, questions, and recommendations. They are closer to the consumer compared to food and beverage producing companies. Comparable high numbers are available for the other big retail organizations. Actually, the market leading food retail companies are quite successful with their social media approach.

4 Conclusion

Although the vast majority of the surveyed companies has a working website, where customers can find background information about the company and products/services, only a small part of them already integrated social media applications into their communication strategy (the dominating social media is Facebook). Less then one fifth of all food and beverage companies have already introduced social media into their communication. Mainly larger firms already realized the opportunities and potentials of the Web 2.0, contradicting the opinion of some authors (e.g. Kim et al., 2010; Kaplan and Haenlein, 2010) that social media are in particular suitable tools for small firms as these communication facilities require less financial and personnel resources. It may only be assumed (and could be an important task of future research) that smaller companies are not able to introduce social media applications because there is still not enough know how (and awareness) available.

Out of the qualitative expert interviews, it can be concluded that social media will gain importance in the future. All interviewees are actively supporting the application of social media. Their companies integrated social media into the corporate communication strategy. As mentioned before, potentials are assumed to outrange risks. If we consider these results, it is surprising that the proportion of companies using social media for marketing purposes is still rather low in the food and beverage industry. Obviously, not all managers in this sector are convinced of the potentials of Web 2.0. Probably, the lack of knowledge on how to properly apply social media is hindering a broader adoption, too.

The main factors identified for the successful use of social media are transparency, frankness, willingness to accept criticism including adequate (in-time) reactions, and professionalism. This is in line with literature, demanding a balance between content and interactivity (Bhatt, 2004) in order to attract customers. Supporting interactivity can be reached by integrating communication tools like social media (Yoo et al., 2009).

In total, the results we found are proving that there is still potential for the application of social media by food and beverage companies in Austria. Considering the growth during the last two years, it can be assumed that more and more companies will integrate social media into their communication strategy in the near future.

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