

Adoption and efficacy of influencer marketing in the F&B industry

ABSTRACT

This study explores the dynamics of social media influencer (SMI) marketing within the food and beverage (F&B) industry, aiming to understand how various demographic factors and consumer behaviors influence the adoption and satisfaction with SMI recommendations. Conducted with a sample of 134 participants, the research employs a quantitative survey methodology to measure consumer engagement with influencer-endorsed restaurants and their satisfaction levels.

Key findings indicate that while age and general internet usage do not significantly affect SMI adoption or satisfaction, higher household income and frequent dining out are strongly correlated with a positive response to influencer recommendations. The analysis highlights that individuals with higher disposable incomes are more inclined to experiment with new dining experiences suggested by influencers. Moreover, those who dine out more frequently are more likely to trust and adopt influencer suggestions.

These insights suggest that SMI marketing in the F&B sector is particularly effective among certain demographic segments, providing valuable implications for targeted marketing strategies and campaign planning. The study contributes to the understanding of influencer marketing's role in shaping consumer behavior and offers practical guidelines for F&B businesses seeking to optimize their influencer partnerships.

Introduction



In 2022, a total
of
\$13.8B
was invested in
influencer
marketing. ^[1]

\$5.87

ROI with every
dollar spent on
influencer
marketing. ^[2]

**In recent years,
influencer marketing
seems to have
dominated all the
other marketing
strategies.**

92%
of consumers trust
recommendations
given by
influencers they
follow on social
media. ^[2]

Most used social media platforms to follow food influencers [2]



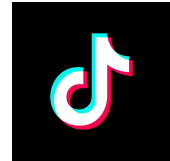
First



Second



Third



Fourth

LITERATURE REVIEW

A study conducted in the Indonesian context, explored the impact of influencer marketing on increasing brand awareness and sales for small and medium sized enterprises (SMEs), found that social media influencers amplify brand recognition, and augment sales figures, serving as a bridge that connects brands with pertinent and actively engaged audiences. ^[3]

Another paper conducted in Coimbatore city aiming to understand the role of social media advertising in the development of the food industry found that respondents are most satisfied with the quantity of the food advertised on social media,, followed by taste, location, ambience, quality, service, availability, variety of food. The least satisfactory factor from the opinion of the respondents is price. ^[4]

Finally, a research considering the Portuguese restaurant sector intended to find out the influence of Instagram influencer marketing on the restaurant industry. Using a mixed method approach, the findings revealed that influencers generate significant word-of-mouth through personal experiences and visually appealing content on platforms like Instagram, enhancing brand admiration. Factors contributing to influencer marketing success include content authenticity and influencer expertise in the restaurant sector. Instagram emerges as the most effective platform for influencer marketing in restaurants, amplifying consumer reach and engagement as they act as rapid brand ambassadors, surpassing traditional restaurant communication channels in effectiveness. ^[5]

KNOWLEDGE GAP & RATIONALE

The **major gaps** identified from reviewing the literature are as follows:

- Existing literature predominantly focuses on generic industries, overlooking the nuanced dynamics of influencer marketing in the food sector.
- Lack of comprehensive studies exploring how demographic factors and behavioral traits influence consumer responses to SMI restaurant recommendations.
- Insufficient understanding of how digital habits, such as internet usage patterns, intersect with consumer attitudes and behaviors towards SMI recommendations in the food industry.

Rationale:

Addressing how demographic factors, behavioral traits and digital habits influence consumer responses to social media influencer (SMI) restaurant recommendations, not only enhances theoretical insights into influencer marketing but also offers practical implications for restaurants and marketers seeking to leverage SMIs effectively.

By exploring these dynamics, businesses can advance understanding of influencer-driven consumer behavior within the food industry, enabling more targeted and impactful marketing strategies.

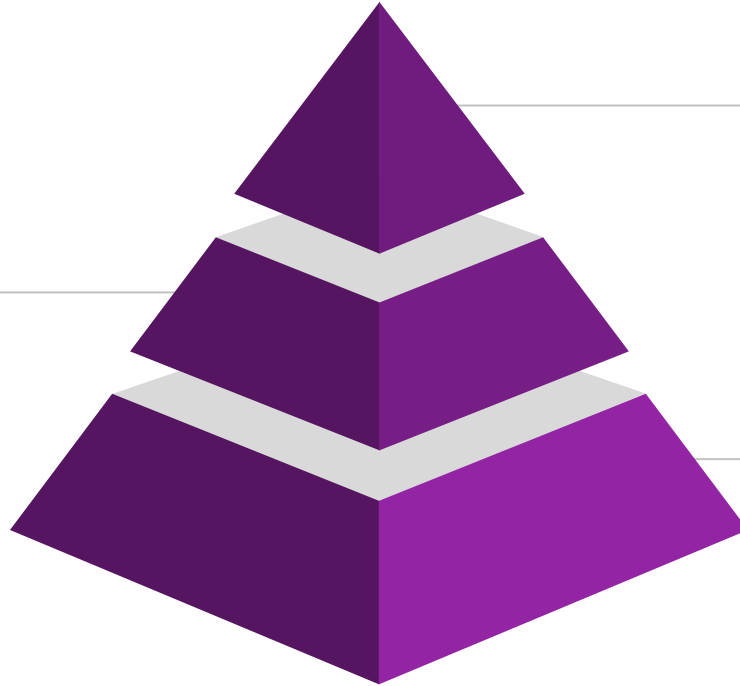
Methodology

RESEARCH OBJECTIVES

Objective 2

Measuring customer satisfaction with SMI restaurant recommendations.

2



Objective 1

1 Measuring consumer adoption for SMI restaurant recommendations.

Objective 3

3 Analysing whether there are differences in the two on the basis of age, household income, frequency of restaurant visit, number of food related social media influencers followed and internet usage.

RESEARCH HYPOTHESES

H_{01} : There is no significant difference in the SMI Adoption scores on the basis of age.

H_{a1} : There is a significant difference in the SMI Adoption scores on the basis of age.

H_{02} : There is no significant difference in the SMI satisfaction scores on the basis of age.

H_{a2} : There is a significant difference in the SMI satisfaction scores on the basis of age.

H_{03} : There is no significant difference in the SMI Adoption scores on the basis of household income.

H_{a3} : There is a significant difference in the SMI Adoption scores on the basis of household income.

H_{04} : There is no significant difference in the SMI satisfaction scores on the basis of household income.

H_{a4} : There is a significant difference in the SMI satisfaction scores on the basis of household income.

H_{05} : There is no significant difference in the SMI Adoption scores on the basis of frequency of eating out.

H_{a5} : There is a significant difference in the SMI Adoption scores on the basis of frequency of eating out.

RESEARCH HYPOTHESES (CONTD.)

H_{06} : There is no significant difference in the SMI satisfaction scores on the basis of frequency of eating out.

H_{a6} : There is a significant difference in the SMI satisfaction scores on the basis of frequency of eating out.

H_{07} : There is no significant difference in the SMI Adoption scores on the basis of following social media influencers.

H_{a7} : There is a significant difference in the SMI Adoption scores on the basis of following social media influencers.

H_{08} : There is no significant difference in the SMI satisfaction scores on the basis of following social media influencers.

H_{a8} : There is a significant difference in the SMI satisfaction scores on the basis of following social media influencers.

H_{09} : There is no significant difference in the SMI Adoption scores on the basis of time spent on the internet.

H_{a9} : There is a significant difference in the SMI Adoption scores on the basis of time spent on the internet.

H_{010} : There is no significant difference in the SMI satisfaction scores on the basis of time spent on the internet.

H_{a10} : There is a significant difference in the SMI satisfaction scores on the basis of time spent on the internet.

RESEARCH DESIGN

Step 1:

Selection of quantitative survey as the research design.

Step 2:

Dividing the Survey in 3 sections:

1. Demographic Information
2. Customer Adoption of SMI recommendations
3. Customer Satisfaction with Recommendations.

Step 3:

Choosing standardised scales to measure customer adoption and satisfaction with SMI food recommendations.

Step 4:

Creating Google Form survey instrument for data collection

SCALES AND TOOLS USED (Survey Design)

To conduct this study, I made use of a quantitative survey. This survey had three sections with questions that I felt were important to answer my research question.

Demographic Information

Close-ended Questions for Age, Employment Status and Household Income.

Consumer adoption of SMI recommendations

2 questions asking what social media platforms they use and how do they discover new restaurants. Used the 9-item standardised scale developed by Dinc (2023)^[6] to measure SMI Adoption. Includes constructs like desire, information search, evaluating alternatives, purchase decision.

Customer satisfaction with SMI recommendations

Used another 9-item standardised scale developed by Dinc (2023)^[6] to measure SMI Satisfaction. Includes constructs like satisfaction and trust.

INFORMED CONSENT & ETHICAL CONSIDERATIONS

Informed consent was taken from all the survey participants in the following manner:

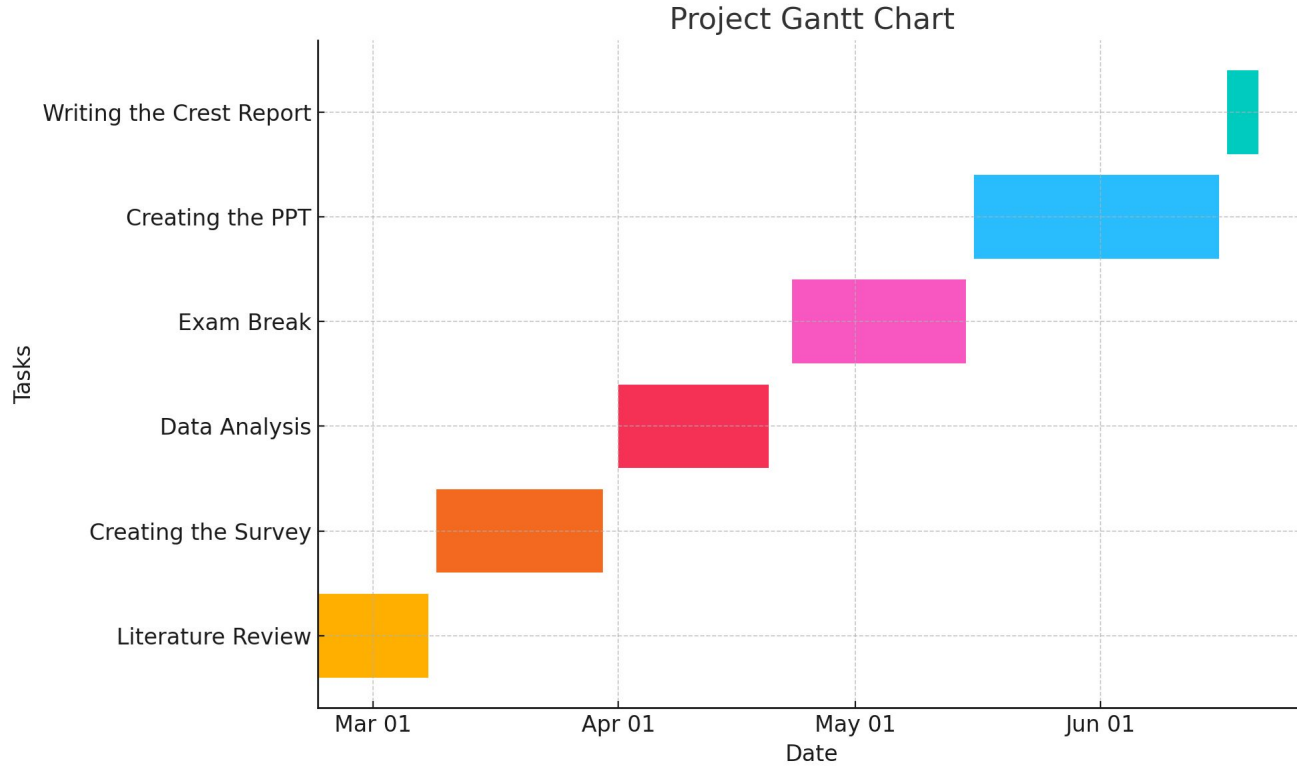
- Before the participants went on to answering the survey questions, consent was taken from the description section of the form which stated that by moving on, the respondent has indicated their consent.
- The purpose of the survey was clearly mentioned to each participant
- Transparent communication was given by providing an in-depth explanation of how the information would be used.
- The information received by each respondent was not shared or misused in any fashion.
- Biased and sensitive questions were avoided.

SAMPLING & SAMPLE CHARACTERISTICS

Convenience sampling was done. The sample consisted of **134 respondents** distributed in the following manner.



PLANNING THE TIMELINE



Results & Discussion

SMI adoption and satisfaction scores on the basis of Age

Table 1: Independent t-test analysis of SMI Adoption and SMI Satisfaction Scores on the basis of Age (N=134)

| | Age | N | Mean | SD | t | p |
|------------------|----------------|----|-------|------|-------|-------|
| SMI Adoption | 45 and Below | 84 | 25.19 | 6.63 | 0.84 | 0.40 |
| | Above 45 years | 50 | 24.06 | 8.78 | | |
| SMI Satisfaction | 45 and Below | 84 | 26.62 | 5.8 | -0.74 | 0.462 |
| | Above 45 years | 50 | 27.42 | 6.5 | | |

As seen in Table 1, there is no significant difference between the two groups namely age 45 and below ($M=25.19$, $SD=6.63$, $M=26.62$, $SD=5.8$) and above 45 years ($M=24.06$, $SD=8.78$, $M=27.42$, $SD=6.5$) in their SMI Adoption as well as SMI Satisfaction scores. Hence, the H_{01} and H_{02} have been accepted.

This means that age does not significantly influence whether a person will adopt or be satisfied with SMI recommendations for food and beverage consumption. This lack of difference could be because individuals below and above 45 years old have similar social media usage patterns. A related study found that adults aged 18-29 use social media significantly more than other age groups^[7]. However, given the dominance of influencer marketing across various platforms, people of all ages are exposed to influencer promotions, even through mediums like television.

SMI adoption and satisfaction scores on the basis of Household Income

Table 2 : Independent t-test analysis of SMI Adoption and SMI Satisfaction Scores on the basis of Household Income (N=134)

| | Household Income | N | Mean | SD | t | p |
|------------------|----------------------|----|-------|------|------|--------|
| SMI Adoption | Over 18,00,000 p.a. | 94 | 25.51 | 6.63 | 1.77 | 0.079* |
| | Under 18,00,000 p.a. | 40 | 23.03 | 8.78 | | |
| SMI Satisfaction | Over 18,00,000 p.a. | 94 | 27.49 | 5.77 | 1.68 | 0.094* |
| | Under 18,00,000 p.a. | 40 | 25.58 | 6.57 | | |

As seen in table 2, there is a significant difference between the people with household income of over 18,00,000 p.a. and under 18,00,000 p.a. In the categories of SMI adoption and satisfaction. Hence, people under these income brackets, have high adoption and satisfaction tendencies. Hence, H_{03} and H_{04} have been rejected.

The analysis indicates that household income significantly influences the adoption and satisfaction of SMI recommendations for food and beverage consumption. Individuals with higher incomes are more likely to explore premium dining options suggested by influencers, as these recommendations often target upscale brands and experiences that are financially accessible to wealthier consumers. This demographic also tends to have more discretionary spending and interest in diverse culinary experiences, making them more receptive to influencer suggestions^[8, 9].

SMI adoption and satisfactions scores on the basis of Frequency of Eating Out

Table 3: Independent t-test analysis of SMI Adoption and SMI

Satisfaction Scores on the basis of frequency of eating out (N=134)

| | Frequency of eating out | N | Mean | SD | t | p |
|------------------|-------------------------|----|-------|------|-------|--------|
| SMI Adoption | Less than 4 times | 69 | 23.71 | 7.92 | -1.7 | 0.092* |
| | More than 4 times | 65 | 25.89 | 6.89 | | |
| SMI Satisfaction | Less than 4 times | 69 | 26.59 | 6.44 | -0.64 | 0.526 |
| | More than 4 times | 65 | 27.26 | 5.66 | | |

The analysis suggests that the frequency of eating out influences the adoption and satisfaction with SMI recommendations for food and beverages. Research indicates that individuals who eat out more frequently are more inclined to follow influencer recommendations, driven by their desire to explore new dining experiences. In contrast, those who eat out less frequently show lower adoption rates of influencer suggestions^[10, 11]. This trend highlights how frequent diners are more receptive to influencer content, likely due to their interest in discovering new culinary options.

There is a significant difference in the two groups, namely individuals who eat out less than 4 times (M=23.71, SD=7.92) and individuals who eat out more than 4 times a month (M=25.89, SD=6.89) with regards to SMI adoption, as $t(133) = -1.7$ and $p < 0.10$. Hence, by this effect, people who eat out more have significantly higher SMI adoption tendencies. Therefore, the null hypotheses H_{05} has been rejected. Moreover, it can be inferred that there are no significant differences in the SMI Satisfaction scores of respondents who eat out less (M=45.25, SD=11.34) and respondents who eat out more (M=44.11, SD=12.67), $t(133) = 0.4$, $p > 0.05$. Hence, the H_{06} has been accepted.

SMI adoption and satisfaction scores on the basis of Following Food SMIs

Table 4: Independent t-test analysis of SMI Adoption and SMI Satisfaction Scores on the basis of following SMIs (N=134)

| | SMI Following | N | Mean | SD | t | p |
|------------------|---------------|----|-------|------|-------|----------|
| SMI Adoption | No | 64 | 21.31 | 7.4 | -5.68 | <.001*** |
| | Yes | 70 | 27.93 | 6.07 | | |
| SMI Satisfaction | No | 64 | 24.91 | 5.61 | -3.86 | <.001*** |
| | Yes | 70 | 28.76 | 5.91 | | |

In Table 4, there is a significant difference in the SMI adoption and satisfaction scores on the basis of the following social media influencers. The mean for SMI adoption and satisfaction scores is significantly greater for those who follow influencers compared to those who don't. Hence, we can conclude that H_{07} and H_{08} are rejected.

The analysis of the data suggests that following social media influencers does play a role when it comes to whether a person will adopt or will be satisfied with SMI recommendation when it comes to food/beverage consumption. A similar study shows that the people who follow social media influencers, are more likely to adopt and be satisfied with influencer recommendation because as they follow these influencers, the people build a certain sense of trust in these influencers.^[12, 13]

SMI Adoption and SMI Satisfaction on the basis of Internet Usage

Table 5: One-way ANOVA Table for SMI Adoption and SMI Satisfaction
on the basis of Internet Usage

| | Source of Variation | SS | df | MS | F | p |
|---------------------|---------------------|---------|-----|--------|------|-------|
| SMI Adoption | Between Groups | 280.72 | 2 | 140.36 | 2.56 | 0.081 |
| | Within Groups | 7177.11 | 131 | 54.79 | | |
| | Total | 7457.83 | 133 | | | |
| SMI Satisfaction | Between Groups | 121.74 | 2 | 60.87 | 1.67 | 0.192 |
| | Within Groups | 4764.36 | 131 | 36.37 | | |
| | Total | 4886.1 | 133 | | | |

The one-way ANOVA for SMI Adoption as well as SMI Satisfaction shows that the differences between the average adoption levels as well as the average satisfaction level of the three groups (individuals who spend less than one hour, 1 to 2 hours and three hours and above on the internet in a day) are statistically insignificant: $F(2, 131)=2.56$, $p>0.05$; $F(2, 131)=1.67$, $p>0.05$ (see Table 5).

The data analysis indicates that the time spent on the internet does not significantly influence whether individuals adopt or are satisfied with social media influencer (SMI) recommendations for food and beverages. This could be due to the lack of significant differences within and between groups. It's possible that the overall internet usage time does not accurately reflect time spent specifically on social media, as individuals may engage with various online platforms. However, contrasting studies suggest that increased internet usage can enhance the likelihood of being influenced by SMI recommendations, as it increases exposure to new dining options, indicating a potential impact on the adoption and satisfaction with influencer recommendations.^[14, 15]

Conclusion and Limitations

CONCLUSION & IMPLICATIONS

The findings of this study highlight the specific conditions under which social media influencer (SMI) marketing is effective in the food and beverage (F&B) industry. Contrary to the common belief that age and overall internet usage drive the adoption and satisfaction of SMI recommendations, our analysis shows that economic and lifestyle factors, such as household income and frequency of dining out, are more influential. Individuals with higher incomes are more inclined to try new dining experiences suggested by influencers, likely due to greater financial flexibility. Similarly, frequent diners show higher trust and satisfaction with SMI recommendations, reflecting their openness to new culinary trends.

Practically, these results suggest that F&B businesses should focus their influencer marketing on affluent consumers and frequent diners, who exhibit higher adoption rates. Targeting influencers who appeal to these groups can enhance the effectiveness of marketing campaigns. Furthermore, businesses should prioritize specific social media platforms where food-related content is prevalent, rather than focusing broadly on general internet usage. This targeted strategy can improve cost-efficiency and ensure that marketing efforts resonate with the most responsive audiences, thereby boosting return on investment and consumer engagement.

By recognizing these factors, F&B businesses can tailor their influencer marketing strategies to better align with consumer preferences, leading to greater brand loyalty and sales. The insights from this study also provide a deeper understanding of influencer marketing dynamics, informing future research and practical applications in the industry.

LIMITATIONS OF THE STUDY

1. **Sample Size and Demographics:** The study's sample size of 134 may limit the generalizability of the findings. Additionally, the sample was not diverse enough to capture the full spectrum of demographic variability, which might affect the robustness of the results.
2. **Scope of Internet Usage:** The study did not differentiate between various types of internet usage, such as time spent on social media versus other online activities. This may have led to an underestimation of the impact of social media exposure on SMI effectiveness.
3. **Self-Reported Data:** The reliance on self-reported survey data may introduce biases, such as social desirability bias or inaccurate recall, affecting the accuracy of the findings regarding consumer behavior and attitudes towards SMI recommendations.

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