

Marketing Strategies for the Sandwich Solution: Gaining Competitive Advantage through Social Networking

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Company Background

A gentleman named Harold Hoagie had a huge passion for the art of making sandwiches, so he developed the Sandwich Solution in 2003. Harold decided that he wanted to develop a concept that he thought other people would enjoy and find convenient. The Sandwich Solution is a fast-casual restaurant whose main focus is on giving the customer the best sandwich for their dollar. One way he accomplished this is by using only the freshest ingredients in all of his sandwiches. The meat is delivered fresh daily and is sliced in-house. The bread is also made in-house (in other words, fresh never frozen).

Guests love the fact that they can literally have their sandwich exactly how they want it in a timely manner. Upon entering the Sandwich Solution, the customer picks up a paper bag off the wall. Written on the bag are categories of ingredients including a variety of meats, cheeses, types of bread, choices of veggies, and condiments for customers to choose from by circling them with a crayon. Once the bag is filled out, they give it to the cashier where they pay for the sandwich. By the time the customer picks a bag of chips or fills up their beverage cup, their customized sandwich is waiting for them to enjoy.

The Sandwich Solution appeals to anyone who is hungry for a good sandwich and a good time. Today there are more than 150 restaurants open or under development in more than 15 states. The Sandwich Solution goal is to make the menu appealing to all consumers by offering low calorie and vegetarian options. The signature sandwiches offer the customers an easy way to decide what they should order. The top seller, "The Sloppy Hoagie", is like a traditional Sloppy Joe sandwich but with a twist, ground turkey is used as a healthy alternative. The Sandwich Solution is a proud participant in local community programs as well. Every day, after each restaurant closes, managers take the remaining fresh bread to local food shelters in their area. Consequently, consumers are encouraged to order the 14 inch long roll, and have the restaurant cut off the amount they want to donate for that evening's run to the shelters. Also, the Sandwich Solution is committed to helping the environment by "greening" their

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stores. All of the produce is organic and purchased locally. Additionally, only recycled cups and packaging are used for their customizable sandwich bags.

Harold's Approach

In today's society, sandwiches play a major role in the food service industry. They are simple and easy to eat—especially for people who are on the go. In the current economic climate, people are eating more comfort foods from restaurants that are budget friendly. Sandwiches, burgers, and breakfast foods all fit into the comfort foods and budget friendly categories, which is why The Sandwich Solution offers a version of all these items. Sandwich sales have increased drastically in the past few years. In fact, by offering a fresh quality product at a good price, Subway recently surpassed McDonald's as the world's largest restaurant chain in terms of units (Jargon, 2011).

As you can imagine, Harold's Sandwich Solution has quite a bit of competition. In order to keep up with the fast-paced industry, Harold Hoagie spends a significant amount of time studying his competitors and the changes in the fast-casual restaurant environment. A current trend that has become a hot topic is social media. It presents a way for people to communicate and connect while at the same time providing businesses with a new tool for marketing. Harold, who has a thorough understanding of the Building Blocks of Competitive Advantage, has begun to realize that social media networking sites afford him an opportunity to become the preferred sandwich shop among consumers. Social networking sites, if used properly, will allow him to communicate and connect with his customers to promote his business.

Harold has conducted research on three popular social media networking sites, Facebook®, Twitter®, and Foursquare®, and interviewed various social media marketing experts to learn more about the advantages and consequences of using these sites as marketing mediums. He has provided his new findings about social media as well as a brief description of the Building Blocks of Competitive Advantage and marketing styles below.

Social Media Background

Since the beginning of the 21st century, social media has been popular for consumers and professionals alike. Social media is de-

defined as a group of Internet based applications that build on the foundations of web 2.0 and allow the creation and exchange of user generated content (Kaplan & Haenlein, 2010). In other words, social media can be any website that allows you to post your own opinions. However, based on different major functions, social media can be sorted into several different types; the most recognized are social networking sites. Social networking sites such as Facebook®, Twitter®, and Foursquare®, were originally designed to provide a service for people to build a public or semi-public profile in a bounded system and allow people to share their profiles with other users within the same system (Boyd & Ellison, 2007).

Social media has been the number one activity online since 2010. In fact, Facebook has more members than the population of the 3rd largest country in the world – the United States. After becoming aware of its popularity, many hospitality companies started using social media as an additional business tool. According to a survey, 60% of travelers are on Facebook, one in five travelers have been asked an opinion online, and one in three travelers are somewhat influenced by social networks when they make travel decisions. Companies use social networking sites for different reasons. The most popular reasons include improving sales, building customer relationships, analyzing product and service, and recruiting. With the use of word-of-mouth marketing, social networking sites are able to spread information virally to many users in a matter of seconds. Some marketers use social networks to advertise specials in the business, create direct personalized connections between the company and the consumer, and maintain interest through updates.

Facebook

Facebook is the No.1 used social networking site. The idea of this network is that every person is able to be connected, form relationships, and maintain them. People can get all the necessary up-to-date information about someone with the click of a button. Over the past few years, businesses and organizations have caught on to the benefits that Facebook provides, including access to millions of customers. Functions such as “liking” a comment, picture, or object help people express their preferences and feelings to others while spreading the “buzz” about a promotion or product. Every time a consumer comments, likes, or becomes a fan, their friends are informed on their home pages. Facebook is a way for people share their preferences with friends while creating word-of-mouth marketing for a company.

Companies are also able to create their own fan page that users can choose to be a part of. These pages send notifications to users who have opted to receive information from the company. Promotions and events can be advertised through the fan page and companies are able to handle questions and comments posted by individuals interested in the brand. Fan pages can be simple by choosing to provide only basic company information or elaborate through the use of online games, polls, and coupons.

Twitter

Twitter is another popular tool that allows users to instantly comment on their current location, activity, or thought via computer or mobile device. Twitter differs because users are able to see other users’ status updates on specific topics. The mobile aspect helps users stay informed and constantly involved in the viral information spread. Users choose to select other users they would like to “follow” and receive updates from those users on their home page and in mobile text messages, if requested from the site. Twitter is popular with marketers because of the ease of use and fast connection to consumers as well as the embedded tools that the site offers. Anyone can search specific words or phrases and see all the users that are “tweeting” about them. Once they have that information, they can choose to either contact them with a direct message, follow them (hoping the user will see it and look more into the company or follow them back), or “tweet” a message at them, which will place a link to that user with a message of their choosing.

Foursquare

Foursquare is one of the first mobile-focused social networking sites. Users access Foursquare through an application on their smart phone. The application allows the user to “check in” at a place where they are located using the GPS technology on their smart phone. These places can be as specific as a restaurant to a broad location such as a national park. Any user can register a new location and “check in” when they are in close proximity to it. Businesses are able to use this social media network by rewarding people who “check in” at their location or offering incentives to visit their location to people in the area with “specials nearby.” For example, Chili’s Bar and Grill offers a promotion to customers who “check in” to the restaurant by giving them a free order of chips and salsa with proof of “check in”. Foursquare even incentivizes its users to check in more frequently by giving “badges” and titles. The title of mayor is given to those who have “checked in” to a particular location more than any other person (mayorship title can be stolen based on number of “checks ins”) and badges are given for special circumstances or patterns that deviate from the norm. For example, a “swarm” badge will be given to those who “check in” to a place where 50 or more people have “checked in” that day. Foursquare users are able to leave and view “tips” from other users about locations. Common “tips” range from quality of service to what to order at a certain restaurants.

Interviews

As Harold was studying his competition, he noticed a common thread; all of the successful competitors were using a form of social media to market and promote their businesses. Some competitors were using Foursquare and some were using Facebook while others were using a combination of several social media tools simultaneously. It was all very confusing and Harold had no idea which tool to use, how to use it, and where to start.

To become more informed, Harold decided to reach out to a few social media experts who may be able to shed some light on his dilemma. He interviewed a communications director, social media manager, and a general manager in the hospitality industry. Here is what Harold discovered:

- Facebook has the largest quantity of users boasting 400 million active users. This translates to better connection with future customers.
- Facebook conversations can flow on their own allowing customers to enter feedback.
- Conversations on Facebook about a company provide word of mouth marketing for that company; these conversations are often trusted more than traditional advertising.
- Consumer feedback on Facebook is immediate and can be positive or negative, but the good thing about this is that a company is able to deliver immediate service recovery.
- Entertainment on a Facebook page is important and should be used as a way to engage customers in conversation about your product – get them talking!
- The average Facebook user checks their news feed 55 minutes each day; this means, you have a captive audience of current and future customers.
- Using Twitter can be tricky due to the small character limit (140 characters or less).
- Twitter does not work well if used to “Tweet” advertisements – to “followers.”
- Tweets are best used to create awareness about a product or service. “Tweets” that establish a personal connection between your product and your customer. Such as a new organic cheese from a local farm that have arrived or to Tweet about a famous celebrity who dines at your establishment and what he/she ordered.
- “Tweets” that allow customers to feel “in the know” about you makes them more loyal to your product.
- Foursquare is a mobile application that is GPS based and tells users what is in the area and if there are any “specials nearby”. The user is then able to “check in” to the location.
- Since Foursquare is GPS based, businesses are able to impact customers’ decisions quickly through “check-in” offerings and provide in-the-moment customer engagement.
- Only “Foursquare friends” can see where they check in unless the user links their Foursquare to their Facebook page.
- Foursquare “specials” are generated by companies and are used to draw in potential customers who are already in their area.
- Foursquare users also receive recognition for being a frequent visitor by issuing them with the title of “Mayor” by having more “check ins” than any other person.
- Overall, consistency of branding on every social media site is imperative to communicate the same message and image of

your product and service to your customers; “profile photos”, fonts, and wording must be similar from site-to-site.

- “You get out of it what you put in to it.” This means that results will not be realized through social media if you don’t put in the time and effort to reach out and interact with the customers. Give them a reason to talk about you!

Utilizing the Building Blocks of Competitive Advantage

Prior to starting his own business, Harold was a college graduate from a leading hospitality program. He recalled learning about competitive advantage in his marketing classes. Hill and Jones (2008) stated in *Strategic Management Theory*, “competitive advantage leads to superior profitability.” At the most basic level, how profitable a company becomes depends on three factors: (1) the value customers place on the company’s products, (2) the price that a company charges for its products, and (3) the cost of creating those products” (Hill & Jones, 2008, p. 80). According to Michael Porter, a competitive advantage can be created with the general building blocks. The building blocks include quality, efficiency, customer responsiveness, and innovation and are explained in more detail below.

Quality

Quality of a service or product is simply its ability to do what it was intended to do, however, to create competitive advantage through quality, one must first recognize the facets of its make-up. The facets that define quality are reliability, assurance, tangibility, empathy, and responsiveness (Lewis, Shoemaker, & Yesawich, 2007).

Quality through reliability can also be described as delivering on a promise. An example of this could be a restaurant’s promise to get the customer in and out for lunch in 45 minutes or less so they are not away from work for too long. This also includes assurance of a product or service, which reduces the buyer’s concern about the unknown. So, if a first time customer at a bakery is concerned about whether the bread will be fresh and hot, the bakery could create a satisfaction guarantee that stands behind “fresh and hot bread every time or it’s free”.

Tangibility can express quality of a product or service through anything that is sensed. How neat and organized is the seating area? What about cleanliness of the restrooms or clarity of the drive-thru menu? All of these things in the hospitality industry can be seen, touched, and smelled and can leave a lasting impression of the quality of a product or service. An expression of quality through empathy shows a service provider’s ability to relate to what a customer is thinking and experiencing, thus providing a more personalized experience that translates to quality of the product or service delivered. Last, responsiveness to the needs of a customer means to make the product or service respond or work for them. For example, the practice at some fast food restaurants of leaving the condiments behind the counter is not very responsive or customer friendly. This leaves the

customer looking around the restaurant for the desired condiment until finally (s)he has to request it at the counter. When combined, the level of reliability, assurance, tangibility, empathy, and responsiveness of a product or service determines its overall quality – did the product or service do what it was intended to do?

Efficiency

Companies that gain a competitive advantage through efficiency do so by finding ways to shrink costs while maximizing production. Lower fares and no charge for baggage at Southwest Airlines is a result of efficient operations. Southwest fares can only be found on their website. This means profit margins for tickets sold are higher because they do not have to release a portion of each sale to a third party like Expedia.com or Travelocity.com.

Customer Responsiveness

Customer responsiveness is a detailed approach to customer care; it is service delivery to a customer as a unique individual rather than a generalized group. In hospitality, the private club industry excels at creating competitive advantage through this building block. Oftentimes in country clubs, the service staff knows individuals' preferences and they are able to anticipate the needs and wants of the club members. Competitive advantage through customer responsiveness can be realized when, for example, Mr. Rutherford enters the member dining area at the club and seeing that the staff has already poured his favorite glass of Sauvignon Blanc.

Innovation

The first restaurant to create and use "call-ahead seating" where their guests could call ahead to have their name put on the wait list is an example of innovation. They created a new way to do business that not only complemented the needs of the customer, but also gave customers a reason to choose that restaurant over others because the actual wait time they would experience in the restaurant would be less. Innovation is expressed when a company or individual changes the traditional way of business and creating a new better way to interact with the customer.

To build a competitive advantage, it is important to first understand your competitors' products and/or services. Most companies focus on more than one building block simultaneously to gain the edge over other organizations. The Sandwich Solution is already working on its positioning strategy and is interested in incorporating social networking sites to enhance that strategy. The company is even considering hiring an employee to directly develop opportunities with social media. It is the students' prerogative to investigate the best potential use of social media for The Sandwich Shop and develop a marketing strategy using the building blocks of competitive advantage.

Marketing Styles

There are various approaches a company can take to market its

products and/or services via an online social media networking site. However, it is first important to remember that social media marketing appeals only to consumers who opt-in to receive the content. For Facebook, Twitter, and Foursquare, one must have an account or be actively searching a "post" to be part of the target market that the restaurant is trying to appeal to. Furthermore, all campaigns will be released on a world-wide basis. So, one must consider that social media spans all continents and is constantly updated as new technology changes marketing styles. A blog site (socialmediaexplorere.com) suggested a model that presented the various approaches to marketing along a Communication-Promotional Continuum.

Companies can take a variety of approaches to promote their products or services via social networking sites using the types of marketing suggested earlier. Companies may choose to primarily focus on communication tactics, promotion or sales tactics, or a mix of the three. A communication tactic is a personally branded message where businesses are actively engaged in conversations with their customer. For example, a retail store may discuss the advantages and disadvantages of wearing cotton during the summer months and request feedback from its customers. A promoter would be an organization that constantly "spams" its followers with product updates and even coupons for purchases. An example of this would be a retail company offering all of the latest in-store or online coupon codes for its products. Thirdly, a mixed approach mixes self-promotion and engagement. In this example, a retail store may discuss the pros and cons of cotton and then link a coupon to buy from the company's new cotton t-shirt line. There are advantages and disadvantages to all three approaches.



The Dilemma

Given this newly acquired knowledge about social media, Harold Hoagie must incorporate this information with his existing understanding of the building blocks of competitive advantage and marketing styles. He will then need to determine which of the three social media sites to use and what approach to take in order to gain a competitive advantage for his restaurant.

Discussion Questions/Case Activity/Class Assignment

Conduct a multi-step analysis from the scenario provided to develop a marketing plan. The plan should focus on communication-based marketing, promotion/sales-based marketing, or a combination of the two. Additionally, the plan should specify which of the social media networking sites summarized in this case should be used. In order to develop your thoughts, address each of the following questions:

8. Using the Building Blocks of Competitive Advantage, conduct

an analysis for each of the nine style/networking site combinations that could be used.

	Communication	Mixed Approach	Promotions
Facebook	Communication Fb	Mixed Approach Fb	Promotions Fb
Twitter	Communication T	Mixed Approach T	Promotions T
Foursquare	Communication Fsq	Mixed Approach Fsq	Promotions Fsq

- Identify the social media networking site (Facebook, Twitter, or Foursquare) and the marketing style (Communication Marketing, Mixed Approach, or Promotion/Sales Marketing) you are going to use based off the Building Blocks of Competitive Advantage analysis you conducted. Identify at least three advantages and disadvantages based on the type of social media that you selected. Explain why you chose the combination over the other eight options.

Note: You can use the following websites to **generate** ideas and guide your decision making process

<http://www.socialmediarestaurant.com>

<http://www.socialmediatoday.com>

<http://www.emarketer.com/Article.aspx?R=1008319>

<http://www.socialmediaexplorer.com/social-media-marketing/social-media-for-restaurants/>

- Research and discuss the demographics of your customers and select the target market that you are attempting to reach (identify your ideal customer).
- Based off the social media networking site and marketing style you selected and your ideal customer, discuss how you would use the site to market The Sandwich Solution. Include specifics of how you will reach your target market (mediums, messages, promotions, etc.).

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Social Media Case Study Interviews

Interviewees:

Cassie Arner, Associate Athletics Director for Communications – University of Houston Athletics

Rich Lareau, GM - The Briar Club, Houston, TX

Jennifer Ma, Associate Manager for Social Media - Clarins NY

Summary of the Case Study

This case study features Harold Hoagie who owns a sandwich shop called The Sandwich Solution. Harold has recently becoming aware that several of his competitors utilize social media networking sites to promote and communicate with their customers and that many of the business employ a social media marketing specialist. After interviewing several of these marketing specialists, Harold has decided that he too needs to be utilizing social media networking sites to promote his business and to communicate with his current customers. He wants to hire a marketing student with knowledge of the Building Blocks of Competitive Advantage to suggest a marketing approach for The Sandwich Solution. He also realizes that it will require a great amount of time to monitor any social media networking site, so he would initially like the hired student to select only one site through which to promote/communicate to customers.

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