



*Addressing the Accounting,
Tax and Business Needs
of Food & Beverage
Industry Executives*

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Social Media in the Food and Beverage Industry

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There is no denying that we are in the midst of a digital revolution. Consumers are looking online to make buying decisions, with studies showing that 62% of all shoppers are engaging in at least one digital deal activity for more than half of their shopping trips.

Food and beverage executives are recognizing the significant impact that digital, social, and mobile technologies have on business growth. Research shows that the industry's top-performing companies have an active and integrated social media presence. In addition to traditional media, companies also use social media to build local communities, collect customer feedback and solicit new product ideas.

The 2013 Green Hasson Janks Food & Beverage Industry Survey reveals that more than three-quarters (78.9 percent) of executives report that social media is having a significant impact on their businesses.

Interacting with Customers

Food and beverage companies are finding new ways to engage their customers through social media. While developing a brand presence, 50 percent of our survey respondents said that they are using social media to gather customer feedback and engage consumers.

“Social media helps us keep the public informed,” said Jeffrey Levine, Controller at T.G.I.C., an importer of South American wines. “Consumers, and members in the trade, are much more likely to learn of a brand’s or company’s happenings via Facebook and Twitter than the corporate website. It’s a staple of society and is a great source of news and updates.”

What sets social media apart from a standard company web site is the two-directional content. More specifically, a company needs to be ready for customers adding their own comments and content.

“Social media helps us extend our brand voice and immediately respond to customer inquiries and comments like never before,” said Matt Kiene, CEO of Homemade Harvey who makes organic fruit snacks. “It has really helped us forge a deeper relationship with our customers and get feedback on how they are doing.”

Social Media is Critical to the Marketing Mix

In response to increased costs and flat gross profits, more companies are turning to social media to bolster traditional marketing efforts. Social media can help start-ups and other growing businesses compete with larger brands.

This shift in the marketing paradigm has led companies to develop social media strategies and utilize new communication channels that were previously unused.

“We have an active social media strategy by having a social media calendar that maps out planned events in the short and long term” said Todd Demann, CEO of Freshology, Inc., a diet meal delivery company. “Our company also has outside resources that manage our social media calendar, as well as younger people who help us utilize this platform in a unique way.”

On a brand level, social media continues to influence new product development, including new product launches, marketing campaigns and tracking of customers that have previously been confined exclusively to social media audiences.

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“For us, we are interested in using social media channels like LinkedIn to research customers and find out their history,” said Robert Weiner Jr., CEO of Star Box, Inc. who provides packaging for seafood companies.

“We are also experimenting on how social media can be a means for us to track how our sales force is doing internally.”

“Our company can track products and returns through the use of certain geographic and demographic data with the way we advertise on social media,” said Kiene. “With a small advertising budget, we rely very much on this type of media to communicate to our audience.”

Food manufacturers and retailers have also taken the opportunity to involve their fans and followers in marketing activity. They encourage the fan base to act as “brand advocates” and share contests and giveaways that are offered exclusively online, as well as advertising and asking for feedback on events to engage in a direct, two-way conversation with consumers.

ROI in Social Media?

Despite the benefits associated with social media, there are criticisms citing that the return on investment for social media campaigns is difficult for companies to measure.

“It’s hard for us to quantify the dollars made by social media,” said Demann.

Others feel social media remains incapable of building up the kind of mass audience associated with more traditional forms of media. It takes time and manpower to invest in social media tracking software.

“We’ve been slow to adopt social media because we’ve found our particular niche has been slow to embrace it,” said Weiner.

Nevertheless, the growth and popularity of social media continue to rise. In January 2013, the number of Facebook users worldwide broke through the one billion user barrier, equivalent to more than 14 percent of the global population.

Similar growth is being experienced by other social media platforms as well. Twitter now boasts over 400 million registered users, with the number of active users reaching 250 million by the end of 2012. LinkedIn now has over 200 million members as of February 2013 spread across more than 200 countries. More than one trillion viewings took place on YouTube in 2011, with over 70 hours of video being uploaded every minute as of May 2012.

As social media continues to permeate into all industry groups, we can be sure to expect new and exciting social marketing strategies from the Food and Beverage Industry. &

Special thanks to the participants!

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