Chapter 6
Social Marketing:
A New Marketing Tool for the Food Sector

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ABSTRACT
Consumers purchase food from different sources, mainly via traditional/long chains where hypermarkets are the final link between producer and consumer. However, consumers are seeking direct relationships with producers. This, together with the increase of social media usage offer producers the potential to build short chains for promoting/selling their products. The aim of this work is to summarize the role that online short food supply chains could play as an opportunity for SMEs in the agri-food sector. Moreover, it highlights a new perspective based on social media as potential short supply chains. To this end, a thorough review of the literature has been carried out, together with an online survey where social networks as food marketing channels have been studied. The chapter concludes pondering about the different food products/sectors that could take advantage of the creation of short supply chains and of the wider use of social networks as marketing tools.

INTRODUCTION
Food marketing and distribution sectors have experienced remarkable changes in recent years, mainly in terms of concentration processes that have taken place mostly among large food companies (MAGRAMA, 2008). As a consequence, the configuration of the producer-distributor relationship has undergone serious changes, since it moved from a situation in which manufacturers dominated the conditions of purchasing of their products, to a new context in which distributors have enhanced their bargaining position (Oubiña, 2000) and got the capacity of driving the demand. Consequently, this situation has generated a dissatisfaction state for producers, who cannot find a stable market and revenue for their activities and accordingly they make a little profit or even losses. Since consumers are demanding a variety of

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products and services with the highest quality, best price, and added value, important changes in the producer-distributor relationship are taking place. Consumers are also looking for more information with regard to origin, safety and healthiness of the purchased food. All these issues have to be considered in the light of the great importance of the agri-food sector both in the European Union and in Spain. Within the European Union, the Spanish food industry is placed fifth in terms of the net sales value of the agri-food sector after Germany, France, Italy and United Kingdom (MAGRAMA, 2014). The food and beverage industry in Spain is considered the first industrial branch, as stated by the latest statistical survey (INE, 2013), representing 20.6% of net sales, 18.2% of employed people and 15.3% of the added value. In 2013, total net sales stranded for 91,450 million Euros, representing an increase of 1.4% over the earlier year. Meat industry represented 22.1% of that figure; animal feed comes behind with 9.7%, followed by fats and oils (9.4%) and dairy (9.3%) (MAGRAMA, 2014).

There are different shopping chains used by Spanish consumers to purchase food and drinks. In this regard, the relative importance of supermarkets (53.6% of market share in 2012) has gradually increased as compared with specialized shops (22.7% of market share) that together with other formats have a less noticeable presence. Nevertheless, the choice of point of purchase displays certain differences in the Spanish market depending on whether consumers are to buy fresh or processed food. In the first case, specialized shops are considered one of the most preferred choices, with 31.1% of the market share of meat and with 40.6% in fresh fruits. Regarding processed food, free service channels have become the preferred choice for households (supermarkets account for 70.7% of the sales of milk or 59.2% of sales of olive oil) (MERCASA, 2013). Furthermore, other formats that weren’t common until recently, like delicatessen stores, 24 hours shops and sales on the Internet have been considered to be used by consumers (MAGRAMA, 2008). On the other hand, 70% of purchases are made via traditional (long) chains where hypermarkets or supermarkets are the final link between producer and consumer.

Nonetheless, a sector of the population is still seeking more direct relationships with the producer, claiming their right to choose the products they consume and to be informed about the source and model of production (MAGRAMA, 2013). Thus, it would be of a great value for traditional enterprises to deal directly with consumers by creating short food supply chains (SFSC), reducing the passageway through several links in the food chain, hence facilitating the traceability of food products and a better price transmission between producers and consumers. In this sense the vast increase in the social media usage has offered the potential for producers to build up new short chains for promoting and selling their products in a rapid, inexpensive and direct way, also contributing to reduce market margins by enhancing direct transactions.

Social media could have various uses in the food marketing sector, as it would facilitate the role of marketing managers to identify their customers’ profile, their preferences and the way they perceive certain products. Consequently companies may perfectly define their target customers and change their marketing policies accordingly. Social networks are also developing a new system in order to enable the online purchasing process through their platforms, something that will open new opportunities for food manufacturers. Within this context, the main objective of this work is to review the role that online short food supply chains could play as an opportunity for small and medium enterprises (SME) in the agri-food sector. Furthermore, to highlight a new viewpoint relying on social media platforms as possible short supply chains for food SMEs. The specific questions to address are: (1) how can short food supply chains be defined? (2) how could social media applications serve as a short food supply chain? (3) which types of food would consumers buy through social networks?