EXPLORING THE IMPACT OF SOCIAL MEDIA INFORMATIVE ADVERTISING ON REVENUE GENERATION IN NEW RESTAURANTS AT BATUMI SEASIDE RESORTS: AN EMPIRICAL ANALYSIS

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Abstract

This research conducts an in-depth analysis of informative advertising as a marketing strategy, with a specific focus on its effectiveness in influencing consumer behavior and purchasing decisions. Drawing on various scholarly sources, the research explores the impact of informative advertising in the market, particularly within the restaurant industry. It includes a statistical analysis examining the relationship between advertising impressions and sales.

Keywords: *Informative Advertising; Marketing Strategy; Batumi Restaurant; Informative Static Banners; Facebook; Simple Linear Regression; Analysis of Variance*

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Introduction

In the rapidly evolving landscape of the restaurant industry, the power of informative advertising in shaping consumer behavior has become a critical focus for businesses striving for success. This article delves into the complex relationship between targeted advertising strategies and consumer engagement. It presents a comprehensive study examining these strategies' effectiveness. Insights from leading experts highlight how restaurants are utilizing social media platforms, like Facebook, to engage in meaningful dialogues with customers. This research employs a rigorous methodology, tracking sales and advertising impressions, to shed light on the significant impact of informative advertising on consumer decisions and business success in the hospitality sector.

The State of Understanding the Problem:

Informative advertising, a marketing strategy aimed at providing customers with detailed and useful information about products or services, focuses on factual content and increasing consumer awareness. This strategy is particularly effective for new market entries in their introductory phase.

Sella R. (2023) notes that informative advertising begins with understanding the target audience's needs, preferences, and challenges through in-depth research. Clear messaging is crucial, ensuring advertising copy is straightforward, concise, and free of jargon. It should emphasize the product's Unique Selling Points (USPs), provide educational content, and include verifiable customer testimonials, addressing frequently asked questions. When appropriate, comparative information against competitors should be presented, using reliable data and statistics. The strategy also involves creating engaging, interactive content and utilizing multiple marketing channels for consistent messaging. Continuous performance monitoring and campaign optimization are essential, as is maintaining ethical principles and transparency.

A. Lewis and M. Rao (2015) found that informative advertising significantly aids in engaging and converting consumers. The research emphasizes how such advertising increases customer exploration, positively affecting purchasing decisions. This suggests that providing relevant information about a product or service at its launch can be a potent tactic for influencing consumer behavior.

Conversely, Anton W. (2013) highlights that effective Facebook marketing involves more than message broadcasting; it requires fostering two-way communication, addressing customer feedback, and building genuine connections. The study underscores the importance of personalized content that resonates with specific audience segments, viewing Facebook as a dynamic platform for building relationships and dialogue, where customer trust and engagement are key to marketing success.

Jovanovic P. et al. (2016) indicate that informative advertising, especially when customers seek comprehensive product or service information, can significantly enhance purchase intentions. By providing relevant and important information, informative advertising emerges as a powerful tool for marketers aiming to influence customer purchase decisions.

However, Alnsour S. (2001) identifies that among the four Facebook advertising dimensions used by restaurants to influence Jordanian consumers' purchasing intentions— incentive, perceived relevance, informativeness, and entertainment— incentive was the most influential, followed by perceived relevance. Informativeness and entertainment were not statistically significant.

Spillinger A. (2012) explored various types of testimonials, including expert, celebrity, and customer endorsements. The study found that celebrity and expert endorsements are generally more effective, while customer endorsements have a lesser impact on consumers. This research illuminates the complexities of testimonial advertising, offering valuable insights for marketers considering testimonials to enhance consumer engagement and trust.

Furthermore, Bijmolt, T. et al. (2010) showed that several brain regions respond to both informational and emotional advertising, indicating that emotional ads typically generate more neural engagement. However, the behavioral response varies; emotional ads tend to attract more attention, but informational ads often result in stronger ad recall and positive feelings. This study highlights the complexity of consumer interactions with online advertising, arguing that successful online ad campaigns should balance informative and emotional content to connect with audiences on both neurological and behavioral levels.

Frank R. Kardes and colleagues (2008) found that consumers generally prefer moderate information density over low or high density. A balanced presentation maintains interest and comprehension. Additionally, framing plays a crucial role, with positively or neutrally framed ads receiving more favorable customer responses compared to negatively framed ones. This research suggests that using positive framing techniques and striking the right balance in information density can enhance the efficacy of informative advertising campaigns by altering consumer perceptions and attitudes towards the advertised products or services.

Tin L. (2022) noted that informative advertising could significantly alter consumer attitudes and purchase intentions by increasing the perceived value of the advertised product or service. When consumers perceive that they have gained useful knowledge from an advertisement, they are more likely to view the product or service as valuable, leading to more positive attitudes and a higher likelihood of making a purchase. This study emphasizes the importance of providing educational information in advertising and the critical role of perceived value in moderating the impact of informative advertising on consumer behavior and purchase decisions.

Drolet, A., & Luce, M. F. (2004) found that consumers with a higher need for cognition tend to respond more favorably to informative advertising, as they are more likely to engage with and process specific information. In contrast, those with a lower need for cognition may find simpler, more emotionally driven ads more appealing. This research highlights the importance of tailoring advertising strategies to match consumers' cognitive preferences and demonstrates the effectiveness of informative advertising for those inclined towards analytical thinking and information processing.

According to Hansson L. and Wrangmo A. (2013), informative advertising, which provides valuable product or service information to consumers, positively and significantly affects consumer decision-making. This suggests that overall, informative advertising strategies are effective in influencing consumer choices. This research is a valuable resource for marketers and advertisers seeking evidence-based insights into the impact of informative advertising on consumer behavior.

William et al. (2019) emphasize that small restaurants can effectively leverage social media to engage customers, build brand identity, and promote their offerings. The study also highlights the importance of understanding and responding to customer feedback on social platforms. It underscores the need for small restaurants to adopt a comprehensive approach to social media marketing, including consistent content creation, engagement with followers, and monitoring online reputation, to succeed in the competitive digital-age restaurant industry.

Types of Informative Advertising in Digital Marketing

Within the digital marketing landscape, Facebook stands out as an effective platform for educational advertising, especially for restaurants aiming to showcase their menu offerings. These establishments employ a diverse strategy, incorporating videos, static banners, and visually engaging content to display their variety of dishes, all while leveraging the dynamic nature of the platform.

Utilizing captivating videos of delicious food being prepared, artfully presented dishes, and satisfied customers provides prospective patrons with a visually immersive experience. These videos draw viewers in, encouraging them to consider the restaurant for their dining plans by offering a virtual taste of its culinary delights and a glimpse into the atmosphere and culinary creativity on offer.

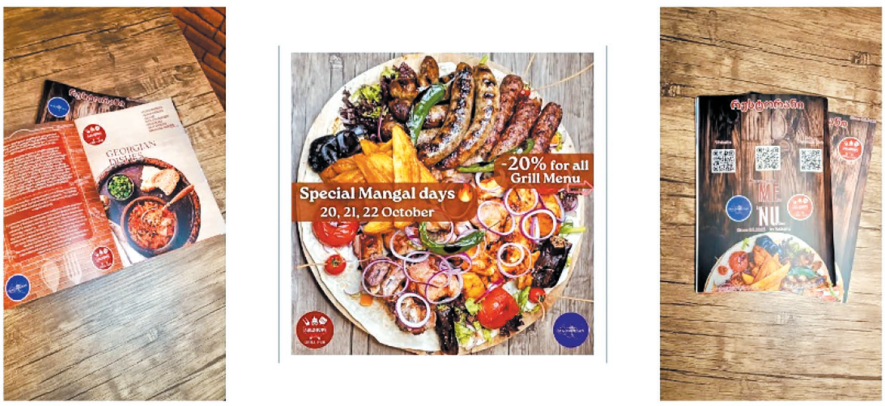
Static banners, too, play a significant role. These often display useful data, such as best-selling menu items or customer testimonials, subtly boosting the restaurant's appeal. In line with this approach, new restaurants in Batumi have adopted similar advertising techniques, as detailed below:

***Picture 1** – Informative static banners*

Furthermore, the effectiveness of informational advertising on Facebook for eateries is underscored by its ability to convey key messages succinctly. Eye-catching and concise banners are essential for capturing attention and communicating important messages in a digitally crowded environment.

By using visually striking static banners that summarize key aspects of their offerings — such as special deals, discounts, or customer accolades — restaurants can quickly convey their unique selling points and entice potential customers. These banners do more than just differentiate a restaurant from its competitors; they allow businesses to make informed decisions and tailor their advertising strategies based on the response and engagement metrics provided by Facebook. As restaurants continue to navigate the competitive landscape, those in Batumi introduce new offers, as presented below:

***Picture 2** – Informative static banners*



Market Segmentation

Lamb, C. W. (2020) emphasizes that geographic segmentation is a critical element in marketing, involving the categorization and targeting of potential customers based on their geographic locations. This strategy is particularly vital in the restaurant industry, where location significantly influences business success.

Geographic segmentation goes beyond simply identifying a customer's city or town. It encompasses a wider array of spatial variables, including country, territory, state, province, or other regional categories, and can drill down to more localized data such as specific town details or postal codes (Babbie, E., 2011).

Baker, M.J. (2002) suggests that by employing geographic segmentation, restaurants can enhance their operational efficiency. This includes boosting foot traffic and improving food delivery services within their targeted area. Effective dissemination of marketing communications and promotions, crafted to appeal to the unique demographics and characteristics of each geographic segment, enables restaurants to align their marketing efforts with the distinct preferences and needs of different areas. Consequently, this strategic alignment aids in effectively targeting and engaging the intended audience, leading to increased customer interaction and business growth.

Data Collection Methodology

The research represents two variables: Cumulated Sales and Cumulated Advertising Impressions. Kumar T. (2022) defines these as aggregates of previous periods, with their total amount described by the term "cumulative".

Data for these variables were collected over a 48-day period during the informative advertising campaign. The data points represent their values at various moments in time, specifically at the end of each day at 00:00:00. A combination of quantitative data gathering and tracking techniques was employed in this methodology.

Time Interval Tracking: Data was collected at regular daily intervals. The figures for Cumulated Sales and Cumulated Impressions were noted at each point in time (00:00:00), represented by a row in the table.

Both Cumulated Sales and Cumulated Impressions are quantitative variables, measurable in numerical terms. An automated counting procedure was used to gather these data points.

Tracking Software: Modern data collection, especially for online activities like digital marketing, sales, or website traffic, frequently employs tracking software. This software is used to automatically track and record these indicators. Advertising impressions were tracked and collected using the Facebook Business Suite, while sales data were gathered through the internal information management system, Storage Number One.

Data Storage: The collected data is stored in a database or spreadsheet for analysis and long-term tracking.

Cumulative Data: The term "cumulated" indicates that these data represent the sum of values up to each specific time point. This means that new sales or impressions are added to the existing total at each interval.

Analysis and Reporting: Data collected in this manner can be used for various purposes, including decision-making, trend analysis, and performance evaluation.

Data Analysis Methodology

Simple linear regression, a statistical technique, models the relationship between a single independent variable (predictor or explanatory variable) and a dependent variable (response variable). The core principle of simple linear regression is the linear relationship between the independent variable (X) and the dependent variable (Y). This relationship is mathematically expressed as $Y = \beta 0 + \beta 1X + \varepsilon$, where Y is the dependent variable and X is the independent variable. Here, $\beta 0$ represents the intercept (the value of Y when X is zero), and $\beta 1$ is the slope, indicating the change in Y for a one-unit change in X. The error term, denoted by ε, accounts for random fluctuations or unexplained variables.

The objective of simple linear regression is to find the regression line that minimizes the sum of the squared differences between the observed values of Y and those predicted by the linear equation. This method is known as the least squares approach.

The output's coefficients section provides estimates for the regression equation's intercept (β0) and slope (β1). These coefficients represent the best-fit linear relationship between the variables, as determined using the least squares method.

R-squared is a measure of how well the regression model fits the data. It represents the proportion of the variance in the dependent variable that is explained by the independent variable.

Significance testing, as shown in the ANOVA table, is used to determine if the relationship between the independent and dependent variables is statistically significant.

The standard error indicates the estimated standard deviation of the residuals, which are the differences between the observed and predicted values. It is used to assess the accuracy of the coefficient estimates.

The term "observations" refers to the number of data points or cases used in the analysis. In this specific case, there are 48 observations representing daily impressions and sales data.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.976848
R Square	0.954233
Adjusted R Square	0.953238
Standard Error	7821.173
Observations	48

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	58667993778	58667993778	959.0859	1.86508E-32
Residual	46	2813854030	61170739.79		
Total	47	61481847808			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	1502.585	2169.504978	0.6925933	0.492047	-2864.40241	5869.571634	-2864.402411	5869.571634
X Variable 1	0.1616	0.005218091	30.96911197	1.87E-32	0.151096174	0.172103119	0.151096174	0.172103119

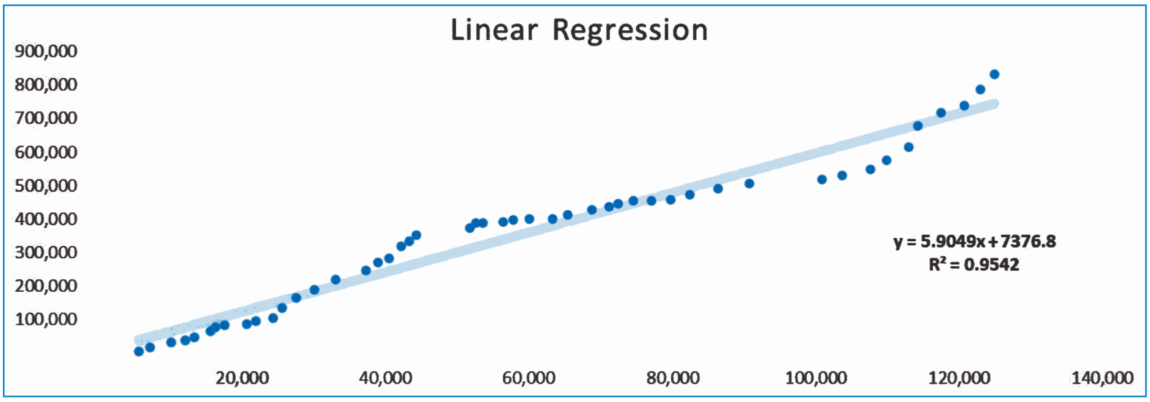
Statistics of Regression

The Multiple R, or Correlation Coefficient, is 0.9768, indicating that there is a strong positive linear relationship between the independent variable (advertising impressions) and the dependent variable (sales).

By the other words the critical value of the Correlation Coefficient Ra,m = 0,49 for the confidence probability P=0,999; i.e. probability of error a=0,001 and degree of freedom m=N-2=46. So, because R > Ra,m the null hypothesis Ho=0 about independence between two considered variables should be rejected and accepted the alternative hypothesis that there is a strong positive linear relationship between the independent variable (advertising impressions) and the dependent variable (sales).

The Coefficient of Determination, or R Square, is 0.9542. This suggests that approximately 95.42% of the variance in sales can be explained by variations in the number of advertising impressions. This significant correlation implies that daily advertising impressions greatly influence daily sales, as illustrated in the chart below.

***Graph 1** – Linear Regression visualized*



The Adjusted R Square is 0.9532. This high value, which accounts for the number of predictors, further supports the robustness of the model.

The Standard Error of the estimate is 7821.17, indicating the typical error in using this model to predict sales.

Analysis of Variance (ANOVA)

The ANOVA table shows the statistical significance of the regression model. With an extremely low p-value (1.86508E-32) and an F-statistic of 959.09, the model is exceptionally significant.

The large regression sum of squares (SS) compared to the residual sum of squares (SS) demonstrates that the model accounts for a significant portion of the total variation in sales.

Coefficients

Intercept: The intercept value is 1502.58. This represents the projected sales when advertising impressions are zero. However, this scenario is unlikely in a practical marketing context, as zero impressions are not conducive to increasing sales.

X Variable 1: The coefficient for X Variable 1 is 0.1616, suggesting that for every unit increase in advertising impressions, sales are predicted to increase by 0.1616 units.

From the analysis, we can infer the following:

Strong Association: There is a strong and statistically significant positive correlation between the number of impressions (X Variable 1) and sales. Sales are expected to increase as impressions rise, assuming other conditions remain constant.

Model Fit: The R-squared value of 0.9542 indicates that the regression model explains 95.42% of the variance in sales, signifying a very good fit to the data. The model's high statistical significance is further evidenced by the low p-value in the ANOVA table.

Intercept: The intercept has limited practical relevance since it represents sales when impressions are zero, a scenario uncommon in marketing contexts.

Conclusion

This research highlights the efficacy of informative advertising in increasing consumer awareness and influencing purchase decisions. It underscores the importance of understanding the cognitive preferences of the target audience and tailoring advertising content to these preferences. The statistical analysis robustly supports the positive impact of increased advertising impressions on sales. This reinforces the value of informative advertising as a powerful tool in the marketing toolkit, especially for new products and services in the restaurant industry. The findings suggest that strategic investment in advertising can significantly enhance sales performance, making it an indispensable component of successful marketing strategies.

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