
FACTORS EFFECTING POSITIVE AND NEGATIVE WORD OF MOUTH IN ITALIAN RESTAURANT INDUSTRY

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Word-of-mouth advertising is what happens when a customer talks about your business with someone else it's either positively or negatively. When it comes to the restaurant industry, it is an unforgiving industry, and it's a tuff business to be in. There is only one shot in this industry, do or die. People will not give a second chance, they will only crush you till you reach bankruptcy.

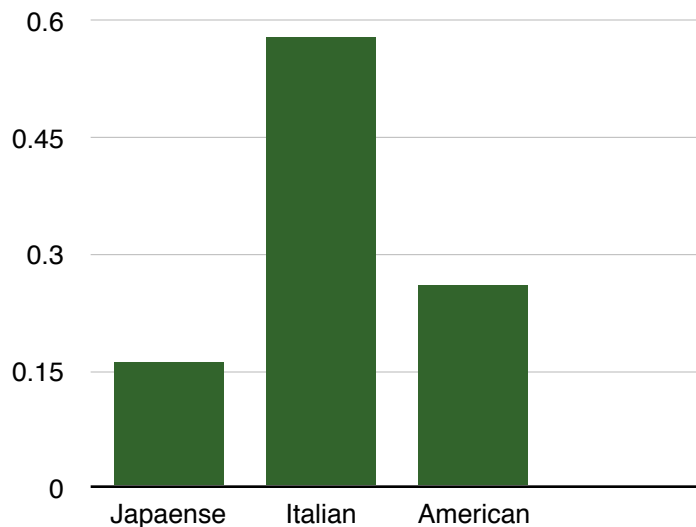
In our report we'd need to talk about the effect in both ways on the restaurant industry. our thoughts about that was, the subject speaks a lot, the "*restaurant industry*" is so huge, and vague, because of the vacations of stages. Different cuisines, Different types, some may be fast-food while the other is a sit-down restaurant, and the list goes on.

we knew our report wouldn't be accurate. So we thought we'd be specific and do a survey. Just for the fun of it, and will help us in making this research more exact.

That been said, we asked more than 100 male and female students aged from (18-25) finding whats the to go to cuisine, based on the results our research will go from there.

***First question: You're out for luncheon, which cuisine would you take:**

1. Japanese Cuisine
2. Italian Cuisine
3. American Cuisine



As you can see on the chart, Italian cuisine ranked the highest with 58% So that gave us the heads start with our research.

Our updated topic is “Factors effecting positive and negative word of mouth in Italian restaurant industry”

There was an article written by Jonah Berger, talking about the effect of WOM, and how sometimes word of mouth is stronger than advertisements. We highly agree on that, because of to main reasons:

- **Trust**
- **Better targeting**

Nowadays, Ads tend to try so hard in sending the message that this pizza is the most cheesy, most delicious, with a crispy crust. Just the way you like it, when in reality it is the opposite.

So, people are aware of that. Now, they’ll ignore, and simply not *trust* the ads.

But when your friend, your brother, or even your colleague, tells you about a restaurant and how tasty the food is. you will trust their opinion, not because you may have the same taste in food, but because he/she has no reason to lie and say otherwise.

Better targeting, what we mean by that. I'm an Italian food lover, crazy for Italian. You are an Italian restaurant owner and want to target your message to potential customers, you might advertise in food magazines. By doing that you limited your customers to food magazine readers, and me the crazy for Italian food lover doesn't read those type of magazines. In the end, some of the ads are dirhams wasted.

Word of mouth spreads so fast, a person could write a review about a restaurant when they're still inside the restaurant. Social media, networks, and having them all in your pocket is a serious deal, most businesses are adapting the WOM, and some are.....Well let's say they don't believe in it. When you say WOM they respond by saying "*gossip*". So Like 'em or hate 'em, word of mouth is reality.

There are many ways factors that help word of mouth here are the most effective:

1. Family & friends

The classical, most effective way. People will tend to trust their family and their surroundings, they know that they like what their taste is in Italian food.

2. Instagram

As they always say, "You eat with your eyes first", now a lot of food related accounts on Instagram are detected to food reviews and sharing their experience. Also posting your dish is a trend next to the selfie.

3. Blogs

Blogs are somehow related to Instagram, because most of the bloggers are also on Instagram, and some or not. Basically what they'll do is write an entire review about the restaurant from the food, to the decor, the atmosphere and price. Then end it with their personal comments and rating.

4. Magazines

When I personally just moved to Dubai, I got to know Dubai and the food through magazines. Writing the “It” restaurant, with the best food, best time for brunch. The only problem we could find is, the magazine readers are limited.

5. Websites

Harvard Business School Professor Michael Luca found that a one-star increase in a Yelp rating leads to a 5 percent to 9 percent bump in revenue. Online review websites a relatively new method for sharing with friends, colleagues and family where an individual is at a particular moment. Are you taking the kids out for a pizza night? Those who follow your personalized feed can quickly gain information on where you're currently dining just by checking out the places you frequent. By using maps to pinpoint a customer's location, followers can often be drawn to using the same services when deciding on which locals to go to when they have similar needs that relate to those of their online friends. On top of that, new features such as being able to check-in your own friends saves time and encourages users to connect and share information when they happen to be at the same location. Instead of you and your acquaintance both pulling out a mobile device and checking in separately, the tools that come with Foursquare and zomatto now allow you to check your own friends in for events that range from a birthday party to a night out on the town.

Many of us have learned that a restaurants reputation can often be managed via social media; especially for small diners in cases where news items seldom hit the media airwaves. Want to inform diner guests on where your new restaurant is now opening up without having it come off as a full-fledged press release? If you have enough followers, then posting detailed info on sites can help get the word out

in an efficient manner. Individuals who have similar tastes in food quality and more can often share ideas on what they want to spend their free time on without having to use the traditional word of mouth method that has quickly become inconvenient in today's on-the-go society.

Zomato and Foursquare are ridiculously easy way to discover new places to eat and drink when you are bored of all your usual haunts. Essentially, it helps everyone discover the newest, best and most recommended restaurants around the metro. They serves as a platform that allows you to:

1. Share your personal experiences
2. Contribute and view restaurant reviews
3. Read, like and comment on posted reviews
4. Find favorite restaurants and add them to your wishlist
5. Mark restaurants visited; and

Be part of the community

Zomato and Foursquare allows diners to browse menus and other restaurant information, read and write reviews, share pictures, check into locations and build a network of fellow food lovers.

Users can also order food through the mobile app and will soon be able to use Zomato and Foursquare to make cashless payments. Accuracy in information and giving the best results is crucial in the Zomato and Foursquare app once a user finds value in this app, word of mouth and press tend to bring in the most people, some don't even say they came in to a restaurant because they saw something on an app, they often imply that someone referred them to this place or heard about it from people.

In today's virtual environment, word of mouth marketing is something that all companies should consider when thinking about how to best

manage one's reputation. Good food and good service is the best way to ensure that the diner is happy and may come back again for more

6. YouTube

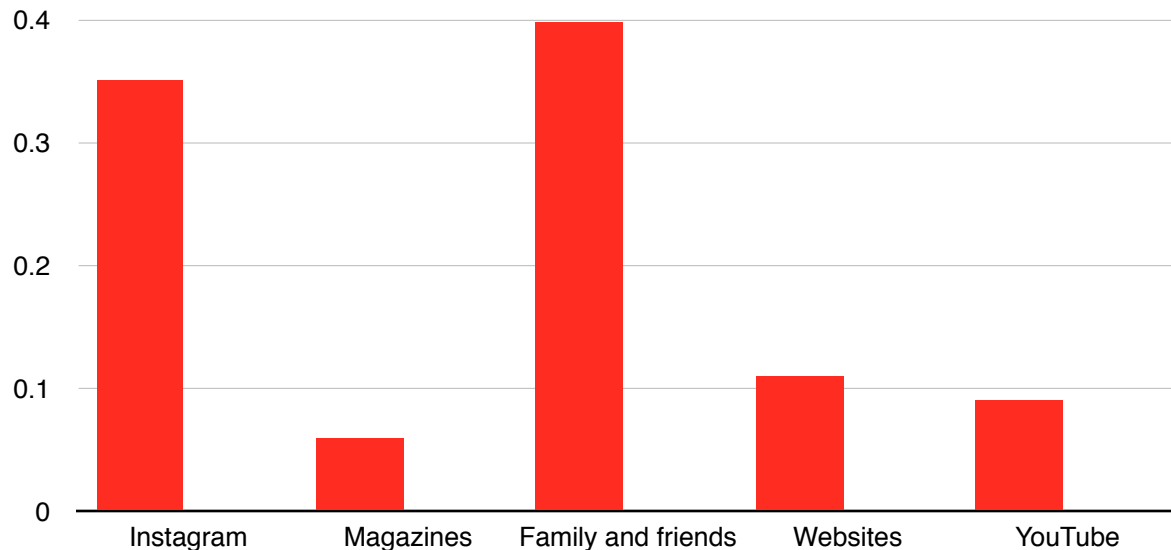
Are you more likely to go to a new restaurant because the restaurant claims it has good food, or because you saw a video on YouTube that recommend this restaurant?

New research indicates that word-of-mouth has grown exponentially on social media like youtube.

It can influence the people perception and change them drastically, this is caused by the number of hits it receives regarding the content of the video . when the vloggers share a positive experience or opinions regarding your restaurant this will increase your credibility among the customer “ viewers ” . We talked about taim alflassy as a vlogger and how she is using her channel on youtube to give reviews on restaurants .

2nd Question: What's the source you can rely on? (based on the list above)

1. Instagram
2. Magazines
3. family and friends
4. websites
5. YouTube



We're not surprised at all, it's obvious a it's obvious and the survey was a proof. Although what really caught our attention, the fact that people are going back to YouTube, when it's kind of new in the middle-east, and extremely popular in the sates and UK. It seems the YouTube is growing to be the next WOM station.

After finding out how word of mouth generates, we need to talk in depth about when does it turn to be a negative WOM, and the reasons are

- **High Prices**

People will compare, and they will compare your business with your competitor. You both sell the same cuisine, and you both are sitting dine. So if you have a higher price with the same goods your competitor serves, then you just got yourself in the wanted list.

- **The menu**

Your menu speaks a lot about your business. One to two page menu wont work, nor will a twelve to fifteen page menu would work as well. You need to be precise, and updated with whats popular, and

- **High Pressure Selling**

simple scenario:

"Mr. do you want anything else?"

"no, thank you" -5 min later-

" Mr. do you want to try our new dish?"

"no, I'm full thank you" -3 min later-

" Mr. you must try our famous dessert ?"

Stop. stop right there. restaurants shouldn't be too pushy.

When you force a customer directly or indirectly to buy your product, it will only harm you. Only you in the end. customers need to feel they had a choice, not forced.

● **Harmful, or unsafe products**

That Hair in the pasta, or the uncooked chicken in your pizza.

This will KILL THE BRAND. Oh! You mean that restaurant with hair in their food? no thanks! No one will ever forget, matter of fact as WOM spreads you will not only be famous for the hair, bugs are going to be included anything unpleasant will be added to your restaurant background of incredible food.

Also, nowadays, the ultimate healthy lifestyle is what every restaurant must represent, at least one dish in the menu, is a low calorie/whole wheat meal. People are healthier, and more focused on what is good for them, so harmful fast food is not their to go to in all times.

● **Poor service**

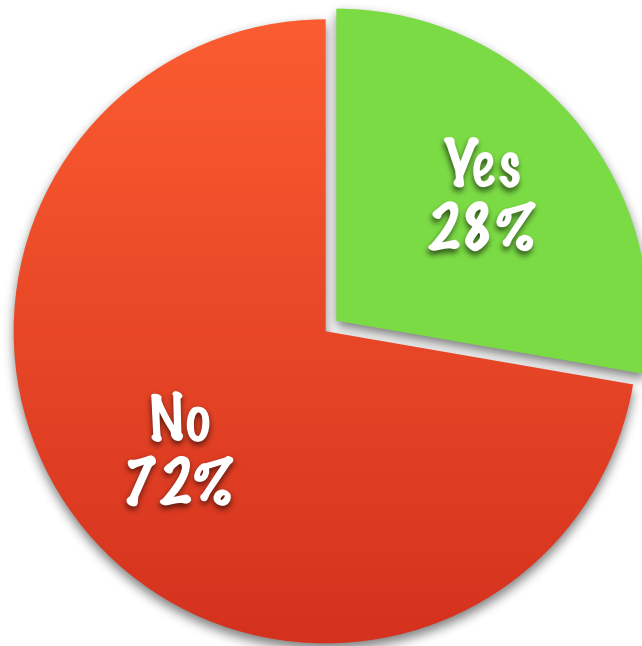
Customer service. that employee with an attitude of Sorry, we can't help you. Poor service, is a big NO. like what Steve Leonard said:

"Rule number one: The customer is always right. Rule number two: If the customer is wrong, see rule number one!"

Follow this rule and you're safe.

Pushing the employee to do things that are relevantly

VII. If you heard a **BAD review from a reliable source about a restaurant, would you still go there?**



What is the Effect you may think well, unfortunately to say but:

Damage the Reputation

Negative word of mouth will initially result your company, products or services a bad light that might cause a loss of potential business.

Decreased Traffic

As negative word of mouth spreads, a decrease in customer traffic usually results. Decreased traffic means *fewer sales*, and fewer sales means less

money available to pay employees, buy merchandise, maintain the upkeep of the business or invest in ways to expand it.

Loss of Support

Businesses tied to a company affected by negative word of mouth might decide that maintaining relations could risk their reputations as well. A partner might refuse to continue financial support or renew a contract, or insist on a “risk” clause and security investment resulting in additional expense.

Opportunities

A negative word of mouth, shows you where your business is failing and where you need to make improvements.

For example, you might learn through a customer comment in an online forum that one of your employees provides horrible customer service. This information prompts you to investigate the problem, which results in your discovery that an employee has a bad *attitude*. It's up to you as the business owner to resolve the issue. This might mean apologizing to the customer, offering reimbursement and creating a new training program that addresses behavior issues, improves customer service and creates happier customers more likely to speak favorably about your business to others.

Carluccio's

Antonio Carluccio, born in Vietri sul Mare, a famous Italian chef, you've probably seen him on BBC food, has a passion in cooking, for that, he shared that experience with all the food lovers around by opening his own restaurant.



Antonio Carluccio's famous for his good food attracted many diners to his restaurant, merely because his food selections are very exquisite and have a unique Italian flavor in it, this not only makes Italy the place to find the best pasta but Antonio also brings a little of Italy to the UAE.

Antonio focused on key points in his restaurant which where:

- They provide good quality food and well prepared using the finest of the fish and natural ingredients exported from Italy.
- *"We don't buy the bread we make it for you"* is **Carluccio** promise to the diners; Antonio believes that good food starts with great ingredients.
- Antonio believes that all his staff form one big family, he creates the family bond between the staff, which enables the restaurant to

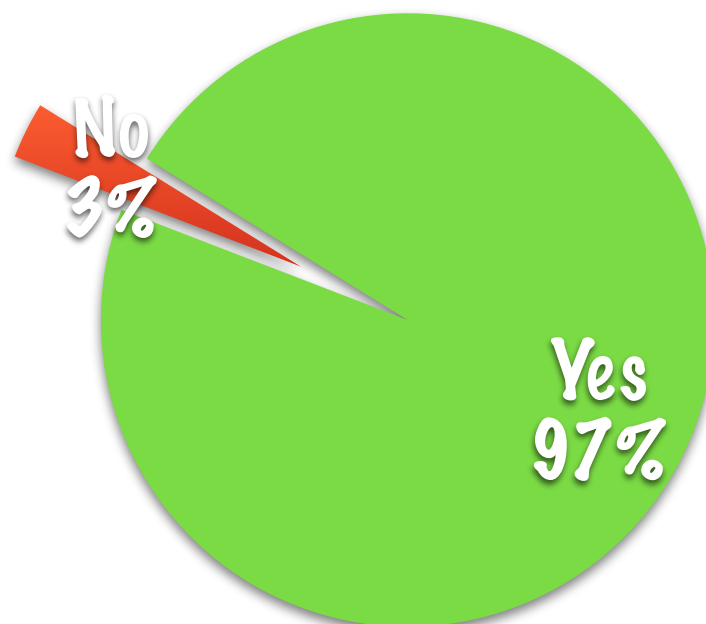
provide the diners with a family-oriented ambience.

He also states that he is proud of his employees and recognizes and distinguishes their performance at work, he rewards them with trainings that will enhance and enable them to grow in their careers.

- Also as a feature is including online purchasing of food and drink items such as Oils and Vinegars, Antipasti's and breads, Chocolates and sweets and biscuits and kitchen accessories, and provides Home delivery service (with a delivery charge of 5 AED per delivery)

To end this report, we will add our last question in the survey, which was:

VIII. If you heard a **GOOD review from a reliable source about a restaurant, would you go there?**



You can never escape the word of mouth, instead your restaurant should be adapted to create customer satisfaction. But that's not a strategy; that's a philosophy.

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