



Digital Economy: Analyzing the influence of social media marketing and platform-based economy on the food industries in Finland.

Kashi Gauli

Master's Thesis
Media Management
2021

MASTER'S THESIS	
Arcada	
Degree Programme:	Media Management
Identification number:	22051
Author:	Kashi Gauli
Title:	Digital Economy: Analyzing the influence of social media marketing and platform-based economy on the food industry in Finland
Supervisor (Arcada):	Tomas Träskman
Commissioned by:	
<p>Abstract:</p> <p>The aim of this study is to investigate the impact of social media marketing and the use of the sharing platform economy on the restaurant industry in the Helsinki region. Restaurants rely heavily on paid sponsorship to increase their visibility to the overwhelming majority of digital consumers these days. The primary goal is to determine to what extent restaurant owners use social media advertisements to expand their businesses. The influence of food delivery applications like Foodora and Wolt is also discussed in the report. The value of these gig economies in the restaurant industry is enormous. The report also examines the positive and negative aspects of food delivery apps and how they contribute to business growth. The qualitative research method was used in this study. Eight restaurants from the Helsinki region were randomly selected for the structured interviews. The results from this study suggest that Facebook is the leading social media advertising platform for restaurants, followed by Instagram. The study also found that the majority of restaurants participate in paid sponsorship for marketing purposes. The key reasons for using food delivery apps were advertisements and business expansion. The owners preferred Wolt as the leading delivery partner. Based on this research, just half of the restaurant owners were satisfied with the use of delivery services such as Foodora and Wolt.</p>	
Keywords:	Digital, economy, social media, marketing, internet, platform economy, business, restaurants
Number of pages:	33
Language:	English
Date of acceptance:	

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1 INTRODUCTION

We define a digital economy as one that is focused on the digitization of information and the corresponding information and communication infrastructure (Zimmermann, 2000). Don Tapscott's best-selling book *The Digital Economy: Promise and Peril in the Age of Networked Intelligence*, published in 1995, coined the word "digital economy." (Tapscott, 1997). It is also referred to as internet economy, new economy, or web economy. An American economist (Mesenbourg, 2001), identifies three components of "Digital Economy" such as E-business infrastructure, E-Business, and E-commerce. Digital networking and communication infrastructures provide a global forum for individuals and organizations to formulate plans, connect, communicate, collaborate, and search for information in this new economy.

The digital economy and social media are not only changing the way businesses are conducted, but they are also affecting people's lifestyles and relationships. Market research, with its adaptability in providing valuable insights, assists organizations in staying ahead of technological advances. The foundation of the digital economy is based on the disruptive internet technologies and the rise of social media. In the past decade, the explosive growth of social media has been astounding. According to (Nielsen, 2017) Advertisers steadily tried to capitalize on the massive audiences and interaction, with ad spending on social media projected to reach \$35 billion by 2017. The year 2020 has seen unprecedented and unanticipated growth, such as in the digital and e-commerce sectors, which have boomed in the aftermath of the COVID-19 crisis. A recent report, *Covid-19 and E-commerce: A Global Review* (UNCTAD, 2020), shows that COVID-19 has resulted in an increase in e-commerce and has driven digital transformation in the midst of declining economic growth. The report also highlights as lockdowns became the new standard, companies and customers gradually "went digital," providing and buying more products and services digitally, expanding e-commerce's share of global retail trade from 14 percent in 2019 to approximately 17 percent in 2020.

People in developed countries around the world spend the vast majority of their time on social media. It is crucial for businesses to remember that the majority of people are potential customers for their business growth. (Henderson, 2018) mentions that in 2018, the most common strategy for restaurant ads was social media, which was used by 63 percent of restaurants. Before making a purchase decision, 37% of social media users perform research on brands, goods, or services, and social media is used by 49% of customers to learn about food. Considering the surge of Covid-19, the digital dining habit is rapidly growing; it is critical for any restaurant and food business to develop an effective social media marketing campaign in order to meet the overwhelming majority of digital audiences.

Gig economy is another fundamental part of the digital economy in the 21st century. The gig economy is a network of markets that connect suppliers and customers on a gig (or job) basis to facilitate on-demand commerce (Donovan, et al., 2016). The early 2010s saw the boom in the home-sharing and gig economy, and the food industry followed the same footsteps in order to play a significant role in developing and contributing to the platform economy. Launched in 2014 “Foodora” in Finland, “Wolt,” a Finnish food delivery giant established in the same year. This gig economic platform has provided thousands of people an opportunity to work. Despite these platforms providing gig economy workers thousands of jobs and contributing to the national economic growth, it shall be examined how it has commercially affected the restaurants where thousands of them are interested and involved in this economic phenomenon.

1.1 Background

We are living in one of the most sophisticated digital environments in human history, the internet world. The advent of emerging technology and superfast internet access has made it possible that was previously unimaginable. The first generation that has grown up in a digital world is now in our university classrooms (Belk & Llamas, 2013). They interact socially, play games, shop, read, write, work, listen to music, collaborate, produce and co-produce. Adopting emerging technologies readily and spending a large proportion of time online are signs of the increasingly digital nature of our everyday lives. OECD (2007) describes the rise and growth of a new type of intelligent Internet services which

have enabled users to share, adapt and create content (Uzuegbunam, 2018). These 'new' services are commonly labeled as social media and Web 2.0. Social media is still the newest and most celebrated communication and technological innovation today. It is helping to make real the idea of a "global village," first theorized by Marshall McLuhan in the 1960s.

The future of the emerging digital economy is influenced by a variety of socio-economic factors. With the advancement of sharing platforms, the gig economy, crowdfunding, and crowdsourcing are becoming more common. The old way of doing business is no longer viable. Any enterprise, large or small, is moving toward a digital presence. An increasing number of social media channels allow companies to reach out to a wide range of customers with minimal effort. Social media marketing has emerged as a critical component of business development. Facebook, Instagram, and Twitter are the major three social media platforms for social marketing to restaurants. These commercial platforms offer restaurants a golden opportunity to introduce themselves in such a way that customers are attracted. The wide variety of ways in which food-related activities are expressed across new media channels (from open-source food hubs to Instagram-ed culinary creations) illustrates the complexity of drawing broad generalizations about the digital realm's capacities and constraints for daily food engagements (Lewis, 2018).

As the sharing food economy booms, the market effects of such a development in the commercial sector of food and restaurants must be closely monitored. Not all benefits from this trend. Despite the fact that this contributes to overall economic development, whether the restaurant industry benefits from sharing platforms should be investigated.

1.2 Motivation

The researcher has many contacts with people who run and own restaurants in the greater Helsinki region. Also, excellent relations with a large number of foreigners employed as freelancers on gig economy platforms such as Foodora and Wolt. According to the author's interactions with these business owners, several restaurant owners are discussing the possibility of paying for Facebook and Instagram ads and sponsored material. Business owners are motivated, and they are enthusiastic about engaging in a digital presence via social media to meet their target customer audience. Owners are also encouraged to

improve their digital skills, which are necessary for social media marketing. The author is also worried about the increasing dissatisfaction with food delivery apps like Foodora and Wolt. Some owners are reluctant to fund these food distribution networks due to the high rate of commission on food delivery.

The author has had some experiences with food delivery drivers from restaurants recommending ordering them directly by phone, providing a lower price for the customer and a higher margin for themselves. In this context, the researcher is especially interested in assessing the current state of social media marketing and the fluctuations in restaurant usage of gig economy platforms.

1.3 Problematization

Almost every business area is now a part of social media marketing in the digital sharing economy. In the restaurant industry, Facebook and Instagram play an important role in promoting sponsored content to a particular target audience. However, not all businesses with a social media presence are productive. Despite the fact that social media marketing revenue is skyrocketing, the high cost of paying sponsorships of content marketing is making it difficult for smaller businesses, such as restaurants, to maintain a constant emphasis on social marketing. Simultaneously, food distribution apps, a major player in the platform economy, are becoming everyday digital dining. Their earnings are also skyrocketing. Most restaurants are required to purchase their services in order to compete. On the other hand, not all restaurants benefit from their facilities. This unavoidable situation is having a significant impact on business development.

1.4 Research Objectives and Questions

The following research questions focus on finding answers to the hypothesis posed in this study:

1. How does social media marketing affect day-to-day business operations?
2. Why is it necessary to be a part of gig/platform economy platform?
3. How important are these platforms to businesses?

1.5 Structure of the thesis

This thesis paper's framework begins with an introduction to the digital economy. The introduction also offers a short overview of the social media and marketing strategies that companies must adapt, as well as a brief overview of the gig or platform economy and its effect on the restaurant industry. The background depicts the current state of social media marketing and the shared platform economy. The author's interest in the research topic is expressed in the motivation section. The study hypothesis discusses recent scientific findings as well as current issues relevant to the thesis title. Three research questions follow the study hypothesis. The literature review sections present emerging theories in the digital economy, social media marketing, and gig economy. Research methodology is in the third chapter, followed by results, discussions, and conclusion.

2 LITERATURE REVIEW

2.1 Understanding the digital economy

The Internet industry, known as the new business, based entirely on computing technologies, where companies are mainly operating on global web and internet markets, is the digital economy. The digital economy is a very important component for economic growth and social change. The success of the world wide web and Internet and electronic commerce, which is generally referred to as (“e-commerce”) initiates new issues of influence and measurements (Brynjolfsson & Kahin, 2002) . The rise of the internet industry has vastly changed the operation of real markets. The digital economy is very rapidly evolving, which is directing to dramatic changes in the structure in various industrial sectors. According to (Illing & Peitz, 2006) the digital economy constitutes new challenges to the theory of industrial organization where the industry of the new digital economy functions quite differently from the old industries, which raises new questions and the old insights shall be revised and viewed from a different angle.

(Zimmermann, 2000) states that economic systems will have an elementary impact due to the development of the digital economy and how the values in the economy will be created. As the digital economy is rapidly growing, mostly in developing countries, previously inconceivable services such as home delivery for goods, e.g., foods and groceries, to multiple dating apps are now a prominent part of the digital economy. The new insights of the digital economy are coherently related to the production of big data and artificial intelligence. Big data helps to inform organizations and governments as well as charities to provide an insight into what’s happening to the digital economy. Figure 1 illustrates the interconnection of three components, goods, procedures, and layout, which converge to shape digital platforms and services.

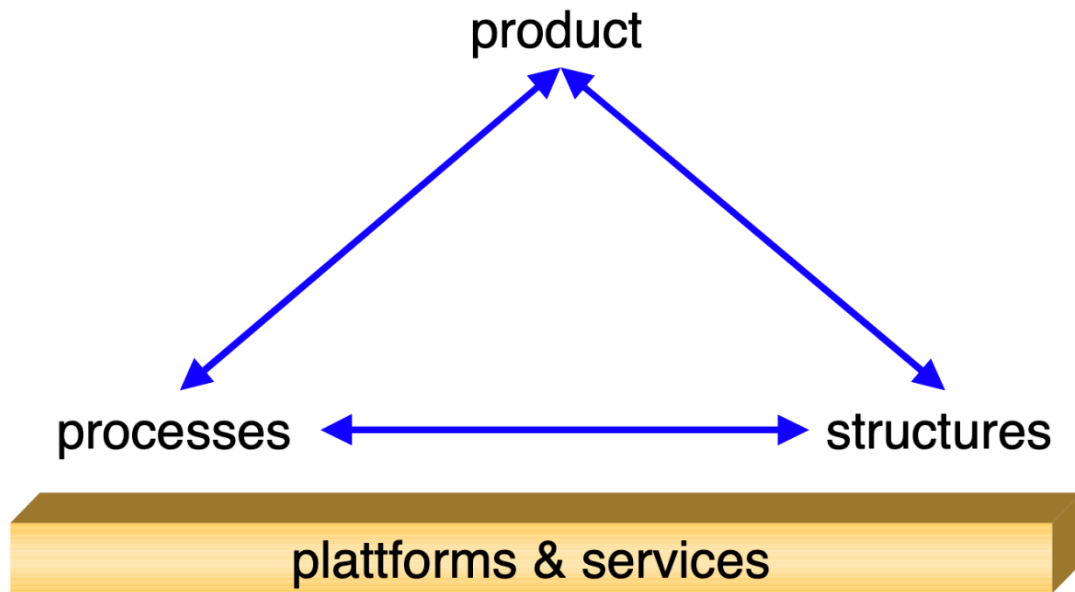


Figure 1 Main Characteristics of the digital economy (Zimmermann, 2000)

As stated in (Bukht & Heeks, 2018), the digital economy compiles up around 5 percent of the global GDP, which contributes up to 3 percent of the global employment. The core of this economic sector arises from the so-called digital sector ICT/IT sector generating rudimentary digital services and goods. In order to achieve a business model for the trending digital economy, it is complimentary to examine the context from a company or industry perspective applying the developed framework (Zimmermann, 2000). The IT infrastructure is embedded in vast categories of products beyond the Internet and personal gadgets or computers. The underlying phenomenon behind the digital economy is currently defined with the emergence of a new platform economy. Part of this empirical research also focuses on the relationship between platform economy and the digital economy.

2.2 Importance of digital skills in the digital economy

Everyone now needs digital skills for effective participation in the rising digital economy and Society. We are in the middle of a technological revolution. More people than ever before are connected to the Internet and use digital devices and services for work and other facets of their lives. This has been helped in part by the growth of mobile broadband, which means that more people in developing countries engage in the digital economy every day (Coward, 2018). With tens of millions of jobs opening up around the world for those with specialized digital skills, a significant skills gap has arisen, as well as a lack of skilled people to fill the vacancies. According to Chinese government statistics, Just China needs 7.5 million ICT specialists, while forecasts in Europe suggest that 500,000 ICT vacancies will be unfilled by 2020 (Coward, 2018). This data indicates that the demand for digital skills in the global term.

Academics and industry experts have published several descriptions of digital skills. These are helpful in developing a theoretical understanding, but in order to create a concept of digital skills that works for your organization and business, it must first gain a wider understanding of the different types of digital skills that are required in today's workplace, after that, they can be mapped to organizations and business (Anon., 2017).

The worldwide connectivity to the Internet is one of the dominant trends of our day, reshaping the world as we know it. Social networking, which includes blogs, forums, business networks, photo-sharing sites, social gaming, microblogs, chat applications, and, of course, social networks, is the lovechild of the World Wide Web.

By 2020, global social penetration would have reached a new high (Tankovska, 2021). Digitalization helps to transform the existing traditional products and services into digital variants. In the 21st century, the skyrocketing social media platforms such as Facebook, Twitter, and Instagram force any individuals and business owners to have some form of digital skills in order to operate their business. According to (Tankovska, 2021) there is about 4.2 billion active global social media population where Facebook is the most popular social networking site based on the audience size.

2.3 E-commerce in the digital economy

The activity of the online or Internet purchase or sale of products is e-commerce. Electronic commerce uses technology such as mobile commerce, electronic fund transfer, supply chain management, Internet marketing, online transaction processing, electronic data exchange (EDI). On 11 August 1994, a man sold his friend a CD by the band Sting on its website Net Market, an American retail platform, on the first online selling (Banda, 2019). This is the first example of a consumer buying a commodity from a company on the world wide web—or e-commerce, as we usually know today (Banda, 2019).

According to a recent e-commerce survey conducted by the Finnish Commerce Federation (Janna Kurjenoja, 2020), the digitalization of the Finnish commerce sector has been rapid, with domestic e-commerce taking a larger share of the market in particular. Home online shops are also popular. In the internationalization of Finnish e-commerce, however, there still is a lot to be done. Online foodstuffs trading has grown furiously, and the pandemic of coronavirus is likely to increase growth further.

Finns' online purchases have skyrocketed in recent years. Simultaneously, the share of Finnish retail store sales has digitally increased faster in Finland than in any other country in Europe. In terms of retail businesses selling digitally, Finland leads Sweden by a wide margin, while Iceland leads by a wide margin. (Janna Kurjenoja, 2020) states that "Finish trade is good news by solid digitalization the negative side, online e-commerce has yet to reach an international audience together with countries like Poland and Hungary, we are one of the least exporting European countries."

(FFC, 2020) reports that digital retail purchases totaling EUR 4.5 billion were completed in 2019 at the domestic and international level in Finland. The increase in euros since 2018 has been 12%. The projected growth for the current year was approximately 11 percent before the strong spread of coronavirus in Europe.

Although there are around 3.3 million active social media Internet users, 5 million people use the Internet every day. Every year the number of users on the Internet increases by 0.2% when mobile devices account for more than 40% of the web traffic (Edwards, 2019). Figure 2 depicts the total number of mobile phones connections, internet users and active social media user in Finland in 2020.

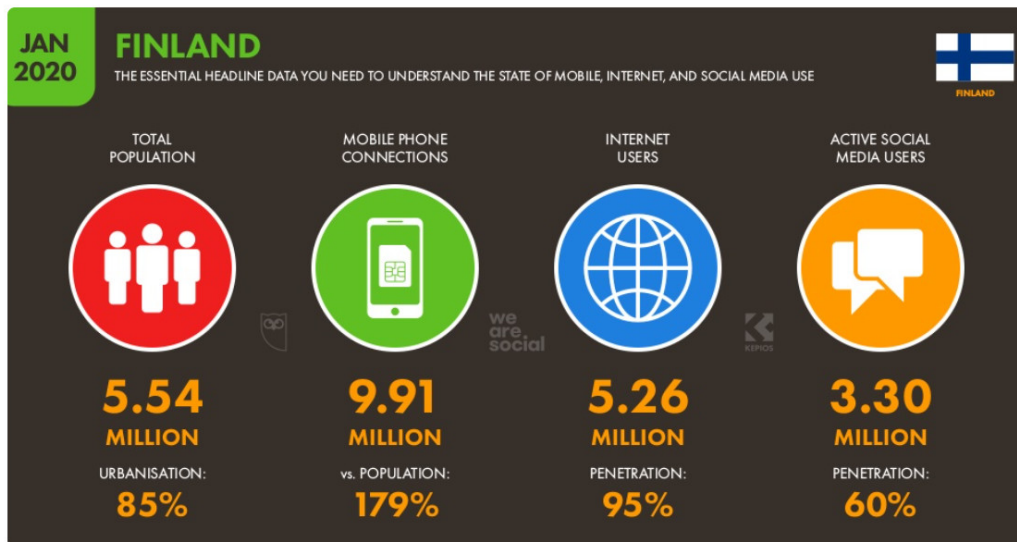


Figure 2 Mobile, Internet and social media use in Finland (<https://datareportal.com/reports/digital-2020-finland>)

(Edwards, 2019) writes that the percentage of online shoppers in Finland is expected to be about 69% by 2020, which would bring total revenue to just under \$4 billion, and by 2025, total sales to just under \$4 billion.

2.4 The rise of the social media economy

MySpace was the first social media network to cross a million monthly active users; it did so around 2004. This may be called the birth of social networking as we know it. Although social networking and social network platforms may appear to be a recent concept, this is not fully the case in the last couple of years. It is crucial to get an understanding of what social media comprises before investigating the growth, prevalence, and usage of social media. (Langmia, et al., 2013) notes that “*there is no universal agreement on a definition of social media or what social media encompasses.*” The authors also highlight, although the real usage or effect of social media cannot be fully clarified by this concept, it must be recognized to involve a strong degree of human interconnection. While working on the first version of the book *Social Networking: A Critical Introduction* in 2011 (Fuchs, 2021), describes that it was unclear if social media was yet another internet buzzword that will quickly fade. The author in the 3rd edition of the same book published in 2021 also insists that almost ten years later, the term "social media" has entered

common parlance, and social networks, blogs, wikis, microblogging, user-generated videos and photos, and apps are now an integral part of daily life.

(Lomborg, 2015) mentions in her manifesto that new channels, utilities, and applications in social media are adopted quickly. She also emphasizes that the remaining ones are continually updating their interfaces and terms of operation, as well as introducing new services and functionality.

Everyone has their own voice on social media. Besides sharing wonderful content such as photos, videos, texts, it has emerged as an interactive and diverse platform for all sizes of businesses and organizations. Any brand, organization, and entity across the world, no matter how tiny or insignificant, has an impact on business decisions due to the presence of social media. The 2020s findings from Crowd Analyzer (Elsherif, 2020) have mentioned that the recent disruptions in digitalization have shaped a true view of customer behavior and preferred advertising on social media, paving the way for 2020 to be really the year of digital transition in light of all that is occurring across the globe. As a consequence, the author claims that social networking has the ability to affect any company's sales, development, and overall progress.

Until social networking, one had to pay to get details about the organization out there. Every individual and business are now their own media brand, and there are many fewer obstacles to reaching out to them. (Desjardins, 2017) writes that Smaller brands have found it much easier to establish themselves in the industry as a result of a social media revolution. Craft beer, food carts, and local design are all examples of developments that have emerged as a result of using social networking networks to create an audience in a cost-effective manner.

Facebook has controlled the social networking industry for a decade; data from 2019, as shown in the figure 3, shows other sites now with more than 500 million subscribers. As a social media giant, Facebook promotes global economic growth by linking individuals and companies, lowering advertisement barriers, and fostering creativity. A report from 2014 (Facebook, 2015) already shows that Facebook created \$227 billion in economic impact and 4.5 million jobs globally across the platforms of advertisers, software developers, and networking providers.

A recent report from 2021 RESEARCH AND MARKETS (The Business Research Company, 2021) that the global demand for online advertising, search portals, and social networking is projected to rise at an 8.8 percent compound annual growth rate (CAGR) from \$416.12 billion in 2020 to \$452.54 billion in 2021. The report also highlights that the rise is largely attributed to businesses reorganizing their operations and rebuilding from the COVID-19 effect, which had previously culminated in restrictive containment policies including social distancing, remote working, and the closure of commercial activities, resulting in organizational difficulties and the demand is projected to hit \$958.28 billion by 2025, at a CAGR of 21%.

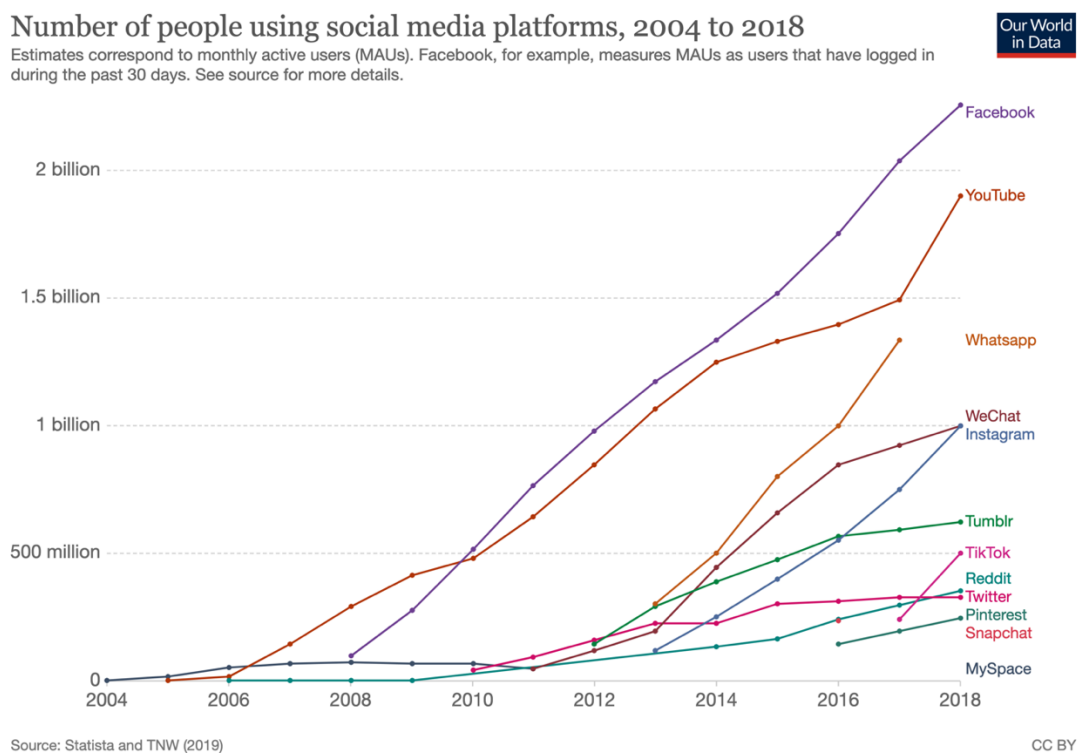


Figure 3 Number of users who uses social networking sites from 2004 -2018 (source: <https://ourworldindata.org/rise-of-social-media>)

2.5 Digital food in social media

The vastly different ways in which food-related activities are expressed through new media channels demonstrate the difficulty of making broad generalizations about the digital realm's capacities and constraints for daily food engagements (Lewis, 2018). Food is more than simply what we consume to keep our bodies nourished; it often evokes emotional feelings and sentiments, and it is also what brings us closer to our family and friends. Food, on the other hand, is a rather digital subject. A digital dining experience is the use of technology and the enjoyment of a meal to establish a new level of interaction for consumers and restaurants. Such encounters are available from fast-casual chains to fine-dining restaurants, but they all have one thing in common, which is the digital experience. An article written in April 2018 in *Hospitality technology* (Wolfe, 2018) reports that about 53 percent of millennials use digital to augment dining experience especially using smart devices to improve their dining experience.

Digital environments also offer unique benefits to restaurants and consumers, making the experience more unique and engaging. For example, additional benefits of a digital food experience that can improve a restaurant's competitive advantages include tracking customers' past preferences through online platforms, which allow customers to reorder based on their purchasing history (Tacit, 2019). Mostly, Instagram and Facebook host millions of amazingly photographed food contents or dishes with perfectly arranged tables. On dedicated websites such as TripAdvisor, eat.fi, Foodora, Wolt, there is a tremendous world of restaurant reviews and ratings.

2.6 Social Media Marketing of the food industry

Today, digitalization is influencing any area of everyday life, and businesses are revolutionizing their market practices in order to deal with this new circumstance, which requires them to utilize the creative technologies provided by the internet, which are built in recent years (Foscari, 2016). Foscari mentions that new industry divisions have emerged as a result of the internet phenomenon, such as digital marketing, and now relies on a number of powerful resources to promote businesses' operations and provide them with a variety of benefits. While digital marketing has a positive effect on virtually every business area, several seem to have trouble incorporating its cutting-edge tools.

Before evaluating the impact and success of social media marketing in the food industry, it is necessary to first define social media marketing. The method of attracting web traffic or publicity through Social Media platforms is referred to as social media marketing. Yet to define social media marketing precisely (Bansal, et al., 2014), Social media marketing (SMM) is a form of Internet marketing in which social networking websites are used as a marketing tool.

SMM's aim is to build content that consumers can share with their social networks in order to help a company increase brand awareness and expand customer reach. Since the emergence of the digital Internet in the 1990s, conventional marketing has had to reconsider how it can become a part of the internet era and cope with the ever-increasing number of photos and videos that people see on a daily basis (Väänänen, 2015). Social media are now a modern creative tool that has millions of users all over the world and brings a range of possibilities and opportunities to smaller businesses that want to develop connectivity and marketing strategies while gaining a competitive edge over their rivals.

It is very important for businesses to choose the right social media marketing tool. Each company has unique requirements when it comes to social media marketing. However, all of these requirements can be met with the same marketing tools that are customized to the unique needs of a company. It just takes a little imagination and the ability to convey the company's message to the appropriate audience.

It is believed that most restaurant and food industry owners have a mandatory Facebook profile, food blogs on Instagram, and video content on YouTube. (Bansal, et al., 2014), mention that although every company in today's world is concentrating on Social Media marketing (or Social Media optimization), it is vital to consider a variety of successful Social Media marketing strategies. The finding from the research (Wymer, 2011) shows that social marketing strategy is being hampered by an over-reliance on commercial marketing tactics and an over-emphasis on individual behavior change. Finding the root causes of social problems is the first step. Social marketers, on the other hand, must be able to use strategies to address the systemic, upstream causes of social issues. Also, (Eriksson, 2012) writes that before beginning the social media marketing campaign, the organization must clearly identify the aims by ensuring that the company understands precisely what it is attempting to accomplish. Achievable social media marketing goals

include increased traffic, increased brand recognition, enhanced search engine rankings, reputation management, increased revenue, and proven thought leadership. The key components of social media marketing is visualized in figure 4.



Figure 4 Social media marketing strategy (source: <http://www.whitestarmediainc.com>)

Social media's disruptive position has changed the traditional direction of the food economy. According to the survey conducted by Accenture, which was commissioned by Instagram found that food and beverage is the hottest topic among social media user as the survey claims videos are preferred content for 53% of people on social media who are interested in the theme of "food," while photos are preferred for 35% (Hutchinson, 2019).

In the article published in the journal communication research and practice, millennials are flooding the kitchen with their I-want-to-do behaviors and mobile devices. They are turning to mobile devices at every stage of the cooking process, from choosing what to make to learn how to prepare it to actually cooking or baking, and smart brands are there

to assist in each micro-moment of these activities (Lewis, 2018). The Restaurant Digital Crossroads: The Race to Meet Guest Expectations report (Wolfe, 2018) claims that Over half of millennials use digital devices to improve their dining experience (53 percent). Their digital activities vary from investigating where and what to eat (60%) to reviewing ratings/reviews while in a restaurant (51%), to posting pictures and content (23%), both during and after the visit.

2.7 The current trend: gig /platform economy

New ways of sharing have arisen as a result of the spread of digital technology, dubbed the "sharing economy." The word "sharing economy" has come to refer to a universe of activities as well as a collaborative consumption economy focused on sharing (Privitera, 2016). Digitalization has made it possible to share a wide variety of resources (the technical aspect of sharing) and to go beyond the confines of small groups and personal relationships (a social aspect of sharing), this two-fold digital transformation of sharing has opened up previously unimaginable possibilities (Pouri & Hilty, 2020). Social networking is inextricably connected to a network of channels that monitor dissemination, such as Facebook, Linked In, YouTube, Instagram, Twitter, etc., which are the pipelines that enable (or do not allow) material to disperse. (Desjardins, 2017) states, as a consequence of disrupting the conventional advertisement paradigm, these outlets have become some of the world's largest corporations by market capitalization.

It is a known fact that many of the web platforms based in the gig economy began in the united states, which are dominated by peer-to-peer marketplace leading in the increase to the business-to-business sector. *"Sharing has become a global phenomenon, both because of the expansion of platforms to other countries with the diffusion of ICT and because the idea of sharing has caught on around the world, helped by the economic crisis"* (Privitera, 2016). Citing from the source (Matofska, 2015), the author also mentions that in terms of global participation in the platform economy, there are 7,500 sites, with venture capital investing in 37% of sharing economy startups and crowdfunding seen as the safest way to raise capital by 80% of sharing economy startups. Crowdfunding is seen as the fastest way to collect money by 80 percent of shared economy startups.

This new term “gig economy” has evolved ever since the rise of sharing and platform economy. Aside from Uber and Airbnb, there are several other digital platforms that contribute to the gig economy. (Fuchs, 2021), describes that the expectations for new prosperity often suggest insecure platform labor and the issue emerges as to what solutions occur to capitalist social networking, influencer capitalism, network capitalism, and Big Data capitalism. In terms of the food business, particularly restaurants in the urban areas are currently heavily dependent on workers who have been considered as gig economy freelancers.

Online Food Delivery is an eServices business segment that includes the customer and revenue growth of two separate delivery service solutions for prepared meals: (1) Restaurant-to-Consumer Delivery and (2) Platform-to-Consumer Delivery (Statista, 2020). One of the key reasons for ordering food online is convenience which saves time, allows customers to choose from a range of restaurants, and stores their payment information and delivery addresses. An eService Report 2020 (Statista Digital Market Outlook- Segment Report, 2020) indicates that the global revenue of online food delivery was US\$107.4 billion in 2019 is projected to grow to US\$182.3 billion by 2024. Another wide sector that is rapidly expanding is distribution services such as Foodora and Wolt food delivery services in Finland. Wolt, a Finnish technology company founded in 2014 which is one of the most popular food-delivery platforms, simultaneously, Foodora is also founded in 2014 which is owned by Delivery Hero is a big Wolt competitor of a German brand in Finland. Finally, there is the digital marketing sector, which is upstream, data-driven, and constantly updated; in brief, digital transformation in the food industry has fundamentally changed the business and its complex supply chain, so much so that it is difficult to completely monitor all of these changes (Doxee, 2020).

There are several industries in Finland that are currently disrupted by the growing trend of platform economy. Besides transportation, gig economy has taken a big market in the food industry, consumer goods, healthcare, and professional and personal services. For the food industry, particularly in urban areas in Finland, freelance couriers are the major player in gig economy platforms such as Foodora or Wolt. Food restaurants are required to join these platforms in order to operate food delivery services using freelance couriers. Despite consumers loving food delivery apps, the restaurant owners aren't particularly

happy as these platforms take up to 30 percent of commission per meal per delivery with very thin margins for the restaurant owners (Buckner, 2019).

This sharing economic phenomenon is booming in the food industry. The delivery platform's annual revenue is a record high. On the other hand, surprisingly, one research conducted in 2019 in Canada (Buckner, 2019) shows that 35 percent of the restaurants are working with delivery apps. Asking About the profitability of these apps, the majority of respondents are dissatisfied, with 55 percent saying, "slightly profitable.", Twenty-one percent saying, "Not at all profitable." And less than 10 percent said that using the food delivery platform deemed "highly profitable.". In this context, despite these platforms booming economically providing thousands of freelance jobs, the current situation of profitability and economic impact on the restaurants in the Helsinki area is also required to be investigated.

2.8 Consumer behaviors in the digital world

Consumers will be able to respond to their needs in their search for, purchase, use, evaluation, and disposal of the products and services they expect. According to (Barmola & Srivastava, 2010), Different factors such as individual, environmental, and decision-making influence consumer behavior, and these factors could be helpful for marketers. Barmola and Srivastava state that marketing is about understanding the needs of the customer and guiding the customer in the customer's mind. The authors also highlight that marketers must be aware of the purchasing process of the consumer, and the process for consumer purchasing includes acknowledgment of the buyer, information search, alternative evaluation, purchase decision, and post-purchase decision.

Quality is the most significant aspect affecting purchasing intent. The product's or brand's origin is also significant. The Finnish are often involved in whether a specific commodity follows European standards. Ecology is having a significant impact on purchasing influence on Finnish consumers' decisions today. Food and organic sales are increasing. Respect for the environment is very high on the list of Finnish priorities. Second-hand and Internet markets are also expanding. As stated in (Edwards, 2019), the e-commerce market is rapidly expanding and accounts for close to 10% of all retail transaction, and Finns use the intent not only to shop but also to compare prices. (Carlson, 2016) mentions in

her report that consumer behavior is a diverse subject where consumers are affected by different factors. The report also highlights how social responsibility affects consumer behavior.

3 RESEARCH METHODOLOGY

3.1 Data Collection

The systematic, theoretical analysis of the techniques used in a field of research is known as a methodology which entails a theoretical examination of a body of methods and concepts associated with a field of study (Igwenagu, 2016). The author highlights that this actually refers to a guide to study and how it is carried out. It explains and analyzes approaches, clarifies their limits and tools, describes their assumptions and implications, and connects their potentialities to the twilight zone at the edge of information. This particular study aims to see how social media marketing and the platform economy affect the food industry in Finland. Despite quantitative research being more preferred qualitative data collection techniques were used in order to achieve the research objective. The researcher has no clear idea what to expect as the situation of the digital food market is volatile and is currently facing disruptions due to the prolonged pandemic. By selecting a qualitative method, it helps the researcher to define the problem or develop an approach to the problem.

The author had chosen eight different restaurants from various classes for this research paper, including fine dining, just lunch, and fast-food restaurants. These restaurants, which are mainly in Espoo but also in Helsinki, were chosen at random. Structured interviews are used to collect data for this study. All interview candidates were informed in advance about the interviews. In-person interviews were not possible due to the ongoing Coronavirus pandemic. The whole interview took place over the phone. Interviews took place during the 3rd week of April. For confidentiality purposes, the names of the restaurants aren't mentioned in this research paper.

The essence of the interview was to answer the research question presented in the introduction chapter. In this chapter, the results are discussed to consolidate answers to three research questions presented in this paper. The sub-questions / answers presented in the

previous chapters provide the relevant information on the current topics of this research title. All the eight restaurant business owners provided very useful answers to the interview questions. The author realized that structured interview questions somewhat presented stress to the interviewee. Despite the answers being direct and concrete, it was also challenging to present visually as there were some unsure answers. The main purpose of the interview was to find out the answers to these particular questions.

1. Do you set aside a certain sum of money for social media marketing?
2. What is the primary social media advertising channel? And what kinds of visual content do you focus on while advertising?
3. How often do you use social media to promote your business?
4. Do you use any food-delivery apps? If so, which ones do you use?
5. What's the reason behind using food delivery apps? And are you satisfied using their services?

4 RESULTS

Question #1: Do you set aside a certain sum of money for social media marketing?

There were several responses to question 1 about paid social media marketing. The monthly cost of social media ads ranged from 0-500 euros. Interviewees from the restaurant 1 and restaurant 2 replied that “Yes, we spend about 300 euros per month for the social media marketing while restaurant 6 spent a bit more and Restaurant 4 and 7 spent a bit less. Aside from social media, some business owners said they advertised in local newspapers. The responses from the participating restaurants are illustrated in Figure 5.

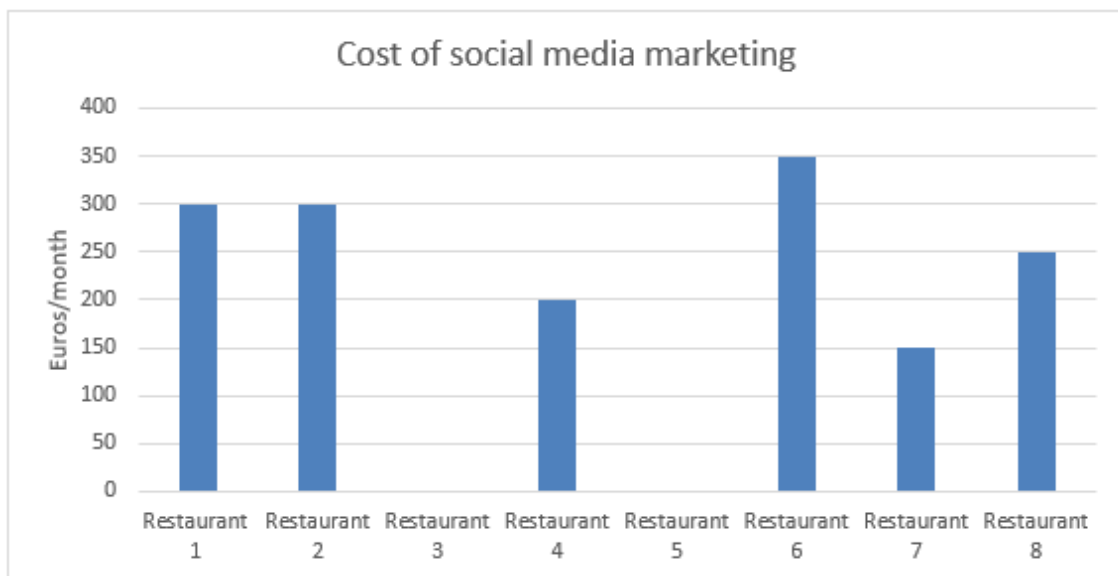


Figure 5 Average cost of social media marketing on a monthly basis

Question #2: What is the primary social media advertising channel?

Owners were asked detailed questions about channels for social media marketing and visual material for advertising to better understand the nature of social media marketing in the restaurant industry. Interviewees from most of the restaurant answered that Facebook has been their primary social media marketing channel while restaurant 5 answered that “we don’t advertise anywhere in social media “. The responses are summarized in Table 1.

Table 1 Type of social media platform

Restaurant	Type of social media
Restaurant 1	Facebook & Instagram
Restaurant 2	Facebook
Restaurant 3	Facebook
Restaurant 4	Facebook & Trip Advisor
Restaurant 5	Facebook
Restaurant 6	No Social media marketing
Restaurant 7	Facebook
Restaurant 8	Facebook & Instagram

Seven of the eight restaurant owners were using social media for advertisement, and Figure 6 depicts the types of social media users.

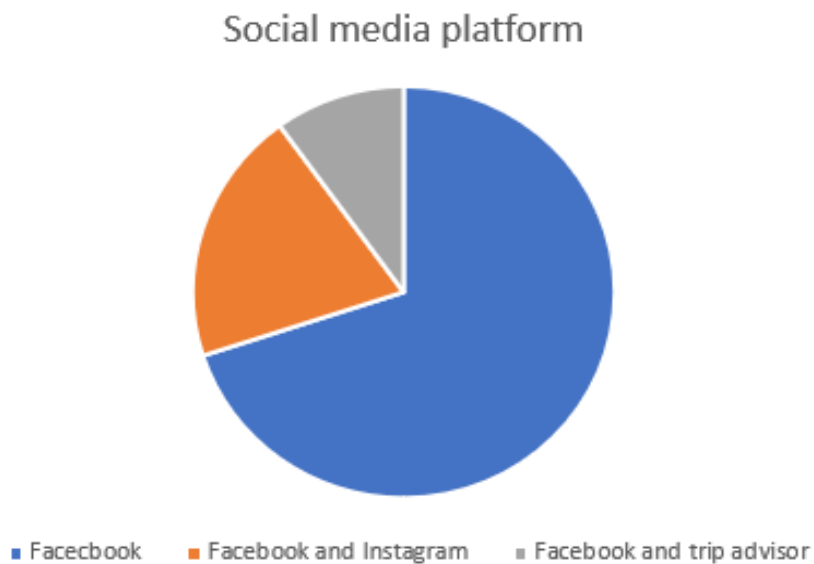


Figure 6 Type of social media platform

Question #3: How often do you use social media to promote your business?

The illustration from table 3 shows that most of the restaurant use daily some form of social media platforms to promote their business. The owners' responses didn't vary significantly when asked how much they used social media for marketing purposes. The interviewees from restaurant 1, 2 and 5 answered "Everyday" while 3 and 4 mentioned that they use 2-3 times per day and interviewees from 6, 7 and 8 answered differently. Some of them were very interested in using social media to promote their businesses. They claimed to update the menu, operating hours, emergency notices, and promotional deals on their restaurant's Facebook and Instagram pages.

Table 2 Social media marketing frequency

Restaurant	Social media marketing frequency
Restaurant 1	Everyday
Restaurant 2	Everyday
Restaurant 3	Twice a day
Restaurant 4	2-3 times a week
Restaurant 5	Everyday
Restaurant 6	Once a week
Restaurant 7	Few times a month
Restaurant 8	Depending on the situation

Question #4: Do you use any food-delivery apps? If so, which ones do you use?

In contracts to the research question 2 and 3, this interview question is very important. the Food-delivery applications such as Foodora and Wolt are used by all eight restaurant owners. Interviewees from three restaurant said, "we use both", while two said that they only use Wolt, and one said they only use Foodora. Wolt was chosen by the majority of the eight restaurants as their primary delivery partner. Restaurants preferred Wolt because of the better customer service. Figure 7 illustrates the use of a food-delivery app by eight restaurants.

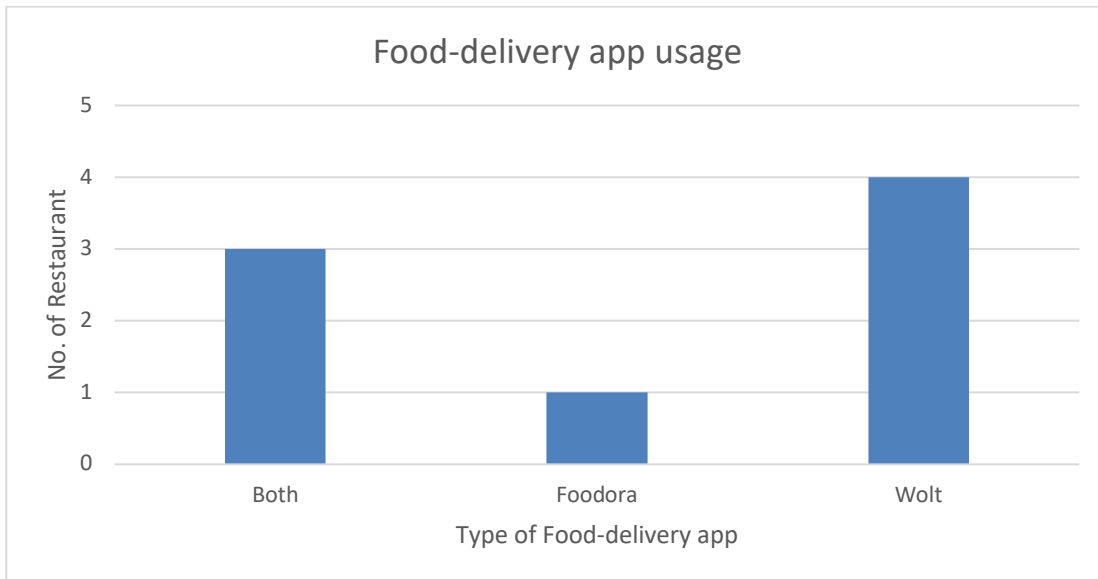


Figure 7 Food-delivery app usages

Question #5: What is the reason behind using food delivery applications?

The illustration from table three show the reason for restaurants to use food delivery apps for their business. The eight restaurants were all asked why they were using the growing food delivery applications. Interviewees from the all the restaurant gave the same answers “advertisement” for the reason for using food delivery apps. The competition was another factor. The eight Restaurants use the food delivery app for a variety of reasons, as seen in Table 3.

Table 3 Reason behind food-delivery app use

Restaurant	Reason for using the food-delivery app
Restaurant 1	Advertisement
Restaurant 2	Advertisement and profit
Restaurant 3	Advertisement/competition
Restaurant 4	Advertisement/business growth
Restaurant 5	Advertisement/competition
Restaurant 6	Advertisement/Sales growth
Restaurant 7	Advertisement/sales/growth
Restaurant 8	Advertisement

Question #6: Are you satisfied using their services?

The opinions and feedback of the owners, as well as their satisfaction with gig economy platforms such as Foodora and Wolt, were requested. Interviewees from restaurant 1, 2, 6 and 8 said “Yes” to the satisfaction while others said “No” The majority of restaurant owners mentioned that their profit margins are extremely low because of too much commission. The commission rate varies from 15% to 30%, depending on the location and type of services that individual restaurants subscribe to from Foodora or Wolt. Table 4 displays detailed information on customer satisfaction and reviews on delivery apps.

Table 4 Owner's opinion and feedback

Restaurant	Are you satisfied?	Feedback about the apps
Restaurant 1	Yes	Commission too high
Restaurant 2	No	Commission too high
Restaurant 3	Yes	Commission too high, more sales
Restaurant 4	No	Less profit and too much extra work
Restaurant 5	No	Too much extra work
Restaurant 6	Yes	Commissions could be less
Restaurant 7	No	No profit at all
Restaurant 8	Yes	Better sales volume

5 DISCUSSIONS

The previous chapters' findings highlight the emerging trend of using social media platforms for restaurant and food marketing. As highlighted in the recent report from 2021 “research and markets” Facebook has been very dominant platform among social media users and SMEs. For the restaurant industry, according to the finding from this research Facebook seems to be favorite platform for restaurant business owners after Instagram. Despite the existence of several other social sites, Facebook has emerged as the most crucial channel for social media advertisements. As stated in the report (Donjuls, 2017), Restaurants weren't keen in spending for the paid sponsorship due to the lack in the experience for social media, this research finds at current state that most of the restaurants are willing to pay for paid sponsorship of social media contents in order to be visible to their potential clients. Due to the ongoing challenges in the restaurant industry, many business owners have been forced to invest in social media marketing in some form in order to be visible to a large number of customers via social media. When the business is back on its track, the majority of restaurant owners are willing to spend more on social media marketing in the future. The owners are very active in social media. Especially on Facebook and Instagram, most of the owners' post information and advertisements regarding their business depending on the time they have during their business hours. The results also showed that most of the restaurants are actively using social media advertisements at least a few times a week.

The research from (Hutchinson, 2019) stated that social media contents such as photos and videos of food products are key components in social media marketing. The author finds from this research that restaurant industry needs to strongly focus on advertising social media platforms with dynamic and interactive visual contents in order to be visible and boost commercial growth.

Many restaurant owners have been forced to adapt to the increasing food delivery practice through Foodora or Wolt as a result of the Coronavirus pandemic, which began in late 2019. Wolt is the main courier partner for the majority of restaurants, though others use both. Against Foodora, the owner prefers Wolt, a Finnish delivery company. In this crucial situation, these delivery services have given restaurants a golden opportunity to deliver food to customers' doorsteps without any additional hassle. Previous research from

(Buckner, 2019) conducted in Canada showed that food delivery apps charge restaurants 30% of the commission per delivery. Many restaurants according to the findings from this study are dissatisfied with these facilities because they are entitled to a hefty commission also here in Finland. Despite having to pay a high commission, business owners continue to use these services for advertising and to grow sales volume. Due to the high level of competition, the restaurant industry is not being able to survive without these applications in its current state.

6 CONCLUSIONS

This research is the part of 60 ECTS Master's degree program "Media Management" in Arcada university of applied sciences. The author of this study chose the theme of digital economy to be relevant to the issue of media management.. The digital economy is centered on individuals, corporations, and machines being networked as a result of internet, mobile technology and the internet of things. The internet as a whole encompasses modern forms of social media, information, and internet applications. Because this study looks at the impact of social media marketing and the platform economy on the food business, it contains a lot of media tools and management abilities in order to establish the relationship with media management.

As a limitation of this study, Wolt and Foodora both denied any form of inquiry throughout the data collection procedure. The covid-19 pandemic made on-the-spot interviews with restaurant owners impossible. The author also discovered that several of the restaurant operators had language hurdles because they did not speak English fluently. The second section of the study focused mostly on food delivery platforms such as Foodora and Wolt, as there had been insufficient research on this topic previously. The focus of future research on this topic should be on restaurant businesses' paid sponsorship investments. Simultaneously, it should look into why Facebook has only gradually surpassed other social media networks in terms of advertising. Future research should also examine into restaurant owners' dissatisfaction with food delivery apps, despite the fact that they are forced to use them for reason of competitiveness not for the profit.

To sum up, in today's vastly linked digital world, social media marketing is the backbone of the restaurant industry. Restaurants not only serve food, but they also help their customers create emotional bonds through the use of social networking sites. For restaurants to thrive in the competitive food industry, paid sponsorship for visibility on social media platforms such as Facebook or Instagram has become standard practice. Gig economy platforms are another significant part of the restaurant world in the rising digital economy. Since its launch in 2014, Foodora and Wolt have dramatically altered the restaurant market in Finland. Thousands of freelancers have found work as courier partners due to these gig economy platforms, while local restaurant businesses have grown and become more successful.

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