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WHAT MATTERS MOST | BY SAM OCHES

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Keep Your Share

If marketing is cut from the budget in the middle of the recession, your market share will be lost by the time the economy recovers.

As 2009 turns into 2010, optimistic economic signs suggest that the recession may have bottomed out. While the dire economic times are far from over, those in the industry know that the fastest path to success in 2010 includes donning the financial shears and cutting excess fat from operations. To help you, QSR introduces What Matters Most, a monthly guide to which aspects of an operation are essential to keep during a streamlining process.

While the recession rages on around restaurant operators, even the most optimistic of cost-cutting initiatives can't hide the fact that customers continue to dine out but spend less. According to a study from global business advisory firm AlixPartners, customers estimate that they cut their dine-out budget by 20 percent from the beginning to the end of last year and plan to spend an additional 3 percent less this year.

With customers unwilling to spend as much on dine-out options, simply bringing more customers in becomes the most important cog in the wheel of an operation, says Kevin Moll, CEO of the National Restaurant Consultants.

"If the recession's not hitting operators today, it will hit soon," Moll says. "And they're going to be behind the ball if they don't jump on this marketing piece fast."

At the Denver-based National Restaurant Consultants, Moll and his staff help start-up and troubled restaurants streamline their businesses. Part of their help includes a marketing overview, which results in the creation of a thorough marketing program.

"I think it is the least understood component of running a restaurant," Moll says. "Restaurant operators know how to put a plate together, they know how to run a shift, they know how to maintain a facility, but do they know how to present their restaurant in a favorable light to the dining public?"

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Jim Thomas, development director for Charlotte, North Carolina–based marketing and communications agency JC Thomas, agrees that operators will regret lumping marketing into their budget cuts. “It’s critical to keep their marketing voice heard because if that’s an area they choose to cut during a down time ... when they choose to come back during good times, they’ve lost their market share and they’ve lost their position because people think they’ve gone away,” Thomas says.

He advises clients to take advantage of the opportunity that worldwide budget-cutting presents as marketing share opens up. “Not only do they want to keep their marketing budget, but it may be an opportunity for them to shift money from another area of streamlining into their marketing budget,” Thomas says.

Just how a marketing program should look in the midst of this recession is a topic of debate, however. Moll says high-quality Web sites, direct-response marketing with measurable results, and pay-per-click advertising are all musts in the recession marketing realm. Most importantly, when trimming fat and tightening the belt, brands should focus on social marketing. The social-media world, he says, provides such an inexpensive means to influencing consumers’ dine-out decisions that older forms of media marketing should be gotten rid of altogether.

“It is very important not to throw away big dollars on television advertising, newspaper ads, and what might be called traditional sources of advertising,” he says. “The faster they get away from conventional, old-style marketing, the faster they’ll see good results.”

Experts agree that overall a focused, consistent message behind a brand is the strongest way to keep customers coming through the door during a recession. Especially as social media becomes the marketing norm, making sure the message is tight and the focus is clear is the only way that inexpensive online marketing tools can truly make a return on investment.

“You can’t dip your toe in the water of social media. You have to commit to a consistent social-media program and get out there with messaging,” Thomas says. “If you’ve got a message that people want to follow, then you’ll be followed, but you have to be saying something that people want to hear.” Joel Thomas, president of JC Thomas, says brand consistency is the smartest means to marketing, both in a recession and out of one.

“People who have the brand consistency and who have singularity in their message, it’s a lot easier for them to be smarter with their spending because they’re saying the same things over and over again,” he says. “They’re not trying to do a million different things, face a million different media streams.”



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