

Market-changing advertising meant to drive profitability should leverage audience insights

By MARK BRANDAU

MEDIA & MARKETING

(May 11, 2009) Usually, when I encounter the concept of turnover in restaurants, it's a delicious pastry, or it has to do with hourly employees and managers. But a marketing expert recently clued me in to another position that cycles through people often: the chief marketing officer.

"The average lifespan of a CMO position is about 12 to 20 months at many places," said Matt Kolbert, director of business development for ASTONE, a marketing and branding agency with four offices in California. "If CMOs can't drive profitability, they're probably looking for another job."

The whole marketing space, not just for restaurants, does seem pretty fluid. I receive e-mails every day notifying me that accounts are up for review and agencies have been dropped, and I called one restaurant chain recently to ask for the CMO, whose departure from the company was so new it hadn't been updated on the chain's website.

So what's an effective way to keep continuity and develop campaigns that work, I asked. Kolbert offered me an informal rundown of the marketing essentials he advises clients to identify.

Business impact metrics

Campaigns need to take into account where their restaurants can maximize profitability, not just increased revenue. Where possible, they need to emphasize high-margin items, Kolbert said, and brands need to track sales of specific products targeted in the ads.

"If we can't measure something, it's a waste of time," Kolbert said. "Too often, brands focus on items that ultimately aren't that important. It's amazing (how many restaurants) don't know how they really make money, and don't know where they can be most profitable."

That's not to say limited-time offers are a bad strategy, he said. It's important to drive traffic with special deals, he said, "but getting people in the door is only the first step."

Audience insights

Marketers need to know what really drives the decisions made by their core customers to create effective campaigns for them.

"At the end of the day, a lot of marketing is creative for creative's sake," Kolbert said. "So many campaigns are based on hunches or shots in the dark. True market-changing campaigns are based on transformational insights into how someone makes their decisions."

As an example, Kolbert credits **McDonald's** unique ability to reach young children. For decades they have developed compelling campaigns which grab kids' attention and appeal to them, often by talking to them as if they were a little bit older. Because kids want to behave like older siblings or peers, McDonald's tapped into that tendency, and many younger consumers developed a strong brand preference for the chain, Kolbert said.

Inspiring creative

Influencing the buying behavior of customers is another thing.

“You have to have some sort of creative campaign that brings the insight to life in a way that’s dramatic and encouraging and compels the audience to behave differently,” Kolbert said.

Message-amplifying media

Choosing the right way to make a pitch to consumers is vital because far more media options exist today.

“You want to select media vehicles that not only deliver the message but also do so in ways that make that message even louder and more compelling,” Kolbert said. “It’s got to be delivered in the right way at the right time.”

Kolbert cites Burger King’s guerrilla-marketing tactic of dropping wallets filled with BK coupons as an recent, non-traditional means of reaching a targeted audience with a promotion that likely would not have worked as well on television, the radio or the Web.

Control of the debate

“Whether we like it or not, there is a dialogue going on about your brand every day,” Kolbert said. “You can’t control it, but you can do things through new media or public relations that help you influence the debate and the conversation that’s taking place. With a few exceptions, there is no correlation between budget and the ability to control debate.”

A prime example of this would be [Domino’s Pizza’s](#) use of a YouTube video response to control the damage from a negative video on the website that spurred bad press for the chain, he added.

Team member unity

“The idea here is that if your entire team is not completely aligned with the key messages and values of your brand and experience, as well as the overall brand mission, no messaging or branding campaign will ever be optimized,” he said.

Even if creative campaigns inspire customers to (visit), patrons probably won’t ever come back if a front-of-the-house staffer treats them poorly, he added. Having to make up for the cost of a loyal guest with a new one only makes the job tougher.

“It’s about getting current customers to come back more frequently and spend more when they’re there,” Kolbert said. “So many restaurants are so focused on new-customer acquisition. While important, it’s often the most expensive way to increase sales. Your revenue (and profitability) will grow much quicker if you’re driving traffic from your current customer base.—

mbrandau@nrn.com