

Restaurants' secrets to success are written in their 'brand DNA'

By JONATHAN JAMESON

(April 06, 2009) What many are describing as the “Great Recession” is well upon us. It is impacting not only our lives but also our businesses on a daily basis. These are unprecedented times for all of us, since we have not experienced a downturn this severe since the Great Depression. Unprecedented times call for, and require, unprecedented brand strategies that not only meet the needs of your customers, but also connect with them in an emotional way. That is what will separate the great brands from the mediocre ones. To “batten down the hatches” is appropriate, but brands must deliver a better experience to their core consumers to weather the storm.

The need to connect with the consumer and stay true to your brand is even more important today than it ever has been. The emotional connection with the customer is driven by many of the intangibles of the restaurant brand. Strong brands like Chipotle and Panera have taught us the importance of connecting with the consumer in an emotional way. It is not just around the food and fast service anymore; it is about all the elements in the consumer experience, from the decor, environment, music, employee interaction, marketing, communications and how you recover if everything is not to the consumers' expectations. Even a simple “thank you” can have a connection point to the brand if done correctly.

Casual and fine-dining concepts are feeling the pinch the most, and even the fast-casual concepts are not experiencing the growth they have enjoyed over the past several years. The best-performing brands are experiencing very low single-digit growth, mainly due to price increases, and many are reporting negative growth, as reported recently in Bellwether Food Group's fourth-quarter update.

So, you might ask, what do we do now? First and foremost, listen to your customers. Listening to your current and past customers is a must in finding the answers to improving your brand and, thus, customer counts. We recently completed more than 200 in-restaurant customer intercepts, and the comments and suggestions that consumers had for improving brand performance and increasing their frequency was amazing.

Consumers were consistent in telling us the importance of the functional benefits of the brand—food, cleanliness and service—but that is the price of entry to earn even that first visit. The consumers consistently told us that to earn their loyalty, the brand had to have not only better food and service, but also a better environment; employees that were consistently delivering fun and friendly service; good variety that fits with the brand; new and seasonal offerings that create excitement for the customers and employees; and, finally, an appreciation for the customer's business. Customers want someone who asks about, and cares about, how their experience was

and thanks them for their business. Consumers said the brands that did all those things consistently would earn their loyalty and a good portion of their visits.

Second, as we work with industry leaders, it has become clear that the brands that stay true to their “brand DNA” and positioning, that connect the strategies and tactics to their core consumers’ needs, and that connect with customers in an emotional way, are the brands that are winning the competitive battle. If you continue to focus on improving your customers’ experiences and connecting with them emotionally, it will yield better short-term results and ultimately will yield long-term heightened brand performance.

If you are running a public or a privately held company, managing your P&L is important to job stability. However, the hard work comes from listening to the suggestions and recommendations of your customers and developing strategies and tactics that stay true to your brand’s DNA. Let’s face it, if you focus on staying relevant and improving your brand for today’s consumers while others are focused on how to protect their P&Ls, when the economy comes back, you will be positioned well ahead of your competitors.

Three of the best examples of brands that have stayed true to their core brand DNA are Chipotle, Panera and California Pizza Kitchen. They continue to improve the customer experience, product quality and execution against their core brand values. In the short and long term they will be more successful than their competitors. It was summed up well in a recent conversation with a chain restaurant executive: “By staying true to your brand and enhancing the customer experience through high quality, new-product innovation, and making sure every guest feels important and thanking them for their loyalty, we win in the short and long term.”

So, stay true to your brand. Enhance the brand experience with your current customers, connect with not only proven brand attributes, but connect with the emotional strings that drive brand loyalty. When we come out of this recession, the brands that did that will rise above the competitors that took the nonstrategic approach to their business.

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