

The Why



August 2019



THE WHY - ATTITUDE, AWARENESS & USAGE STUDIES

Are you vulnerable?

You're vulnerable if you haven't done an Attitude, Awareness and Usage (AA&U) study in the past 18 months or longer. You're behind on what really matters most to your core customers, understanding who your competitors really are and how are they performing.

If it's been longer than two years since your last AA&U Study was done, we will guarantee you that your customers' priorities have changed. In over 100 AA&U Studies we've conducted since 2008 we've seen this reality consistently.

Gone are the days when you can rely only on your gut, experience, and anecdotal knowledge of what customers value most. AA&U Studies are the cornerstone of understanding who your competitors are, and how you perform relative to those competitors. There are some things we've learned over time that you should know:

- Almost every chain restaurant brand underperforms against customer expectations when measured against the most important brand attributes
- In almost every study we've conducted over the past 10 years, a local independent is among the top 2-3 competitors
- We've seen the attribute performance of some previously strong brands decline, in some cases significantly, over the past few years (Chipotle, Shake Shack, Smashburger)
- Many strong regional brands have struggled with successful expansion outside their core markets (In N' Out, Pollo Tropical, Taco Cabana, Zaxby's)



If this type of work is not something you plan to do at least every 12-24 months, it needs to be. It should be a major part of the foundation for the strategic planning process. This level of detail in understanding the shifting landscape can't be an occasional special event or one-time investment.

An AA&U Study is an essential brand exercise. And yes, it costs money and takes time to digest it all after the study is finished. It's worth the resources and time commitment, because nothing else can help with your planning more than this important research.

The real value is understanding the points of differentiation and areas for improvement in your brand, which helps establish the priorities for the strategic planning process. We have consistently seen brand performance improve when AA&U Study data is used to set priorities.

What Your Customers Value

How do you know what your customers value? Do you really know what drives value for your brand? Many brands have a value issue today. Frankly, too many operators confuse what sells well with what customers care most about. That's not to suggest these are not related - they absolutely are. However, they're different, and both should be measured and evaluated separately.

We have also learned that customer value is what differentiates a brand from its competitors. Points of differentiation and focusing on those points is what drives customer loyalty, frequency and most importantly – Word of Mouth recommendations.



The Attributes

In an AA&U Study, customers are asked to rate up to 25 attributes and how those attributes rank in importance when selecting a restaurant. Then they're asked how your brand, and your competitors' brands they use, perform in relation to those attributes. The attributes are typically things like: restaurant is clean; food tastes good; good value; convenient location; and others.

What you end up with is a ranking of what matters most to your customers, how you rank against what matters most to your customers, and how your competitors (the ones **customers say** are your competitors) perform against the same attributes. Essentially, you end up with a scorecard for your brand and the competitive set against an established set of attributes.

If these studies are conducted annually or every other year, then over the course of 3-6 years you'll have a consistent, empirically valid set of metrics that show how strategically you and the competitors are performing over time in the minds of your customers. This information is valuable for setting priorities and measuring how well what you did worked or didn't work. Additionally, this tells you how and what customer priorities have changed over time, as well as how well the brand is delivering against customer expectations.

Often times, customers consider your competitive set to be different from what you believe it to be - this is a big surprise for many clients.



The Attributes

- Restaurant is clean
- Food tastes good
- Good value
- Convenient location
- Service is good

Key Elements

Using groups of customers who are brand loyalists and competitive users, we always track a group of essential data points - overall brand awareness, visit frequency, service, food quality, convenience, and a host of others.

Beyond the important data collected, the real value is being able to see how customer perspective has changed over time. This data is valuable for two things:

- **Evaluating** which strategic initiatives had an impact on the business (or not) in the past year or two
 - What was the return on investment?
 - What are the important metrics beyond sales and profitability?
 - How did we perform against our targets?
 - How did they impact overall perceptions of the brand?
- Looking at how customers' perspectives of your brand and your competitive set have performed over time is extremely valuable in **setting priorities** and allocating resources
 - Where should the focus be - the menu, marketing, training, store design, the app, Ecommerce, lunch, dinner, off-premise, etc.?
 - Where do these attributes rank in terms of customer priorities?



Key Elements

- Evaluation of Strategic Initiatives
- Return on Investment
- Key metrics beyond sales and profitability
- Overall perception of the brand

Share the Learning

Finally, share the results and implications with your team members. When changes and tweaks are being made to your brand, sharing the data behind those decisions makes for a much more compelling story for the organization. We've seen some clients who only share the results with the leadership team - ignoring middle management and the all-important restaurant level management who bring the brand experience to life in the restaurants. This is a missed opportunity to get the team better aligned!

Show the team the summary of what's been learned and how it's changed over time. Let them see and understand that customer preference and behavior are driving your decisions about the brand and therefore their roles and responsibilities. This is when your team members really begin to understand their role in bringing the desired brand experience to life. It can be very compelling. We've seen this practice be very effective.

Impact on the Brand

If you're interested in learning more about how your brand is performing versus the competitive set, or learning more about out how brands are differentiating themselves (from the viewpoint of their customers) from the rest of the competitors, then give any one of us a call.

We've begun exploring all these factors and more. We'd be happy to share what we've seen so far, to include the best practices in getting an understanding of what matters most to customers. Then there's one final step. That's the strategic planning session which answers the big question - what do we do with what we've learned?

