Five Essential Ingredients in a Marketing Mix Playbook that Drive Growth

In the restaurant sector, getting the most out of your marketing performance requires a great recipe for optimization.

What are the 5 most important ingredients to consider when dishing up a Marketing Mix Model (MMM)?

Things move as a fast pace in casual dining and quick services restaurants. That is the point: readily available value-priced meals, often grab and go, chosen from menus are reliable and appealing, and experiences that breed loyalty and repeat visits. And it is far from easy!

Restaurant brands need to be nimble to reach, engage and compete for customers, bringing them back to the table through promotions, new menu items and even the announcement of new locations or regional expansion. In an increasingly competitive market, where and how you allocate media spend is an exercise that needs to be as responsive and effective as you are.

Here are 5 things to think about when optimizing media allocation models to ensure that every dollar spent in marketing is working hard to deliver value and driving your growth over the life of your campaigns.

1. What are the actual contributions of your channel partners to ROAS?

The media channels you choose can make a big difference, particularly if your objective is local versus national impact. If your brand is franchisee-owned, these stakeholders may be looking for evidence of support for local marketing – and that can mean local TV (spot)or, local “remnants” (bargain basement of TV impressions) or even radio. It also means billboards or other OOH options. Digital can mean investing in advertising inside of delivery services - paying Doordash to move you up in the search queue, or putting display ads on the app. That manifests potentially as a means to drive local traffic – but capable of regional and national scaling. But the devil is in the details, and your model needs to be sufficiently sophisticated within any channel to identify precise investments that will yield more than others.

2. What is the correct level of granularity, especially balancing between national and local advertising that is going to drive visits and sales?

We know you care about reach and frequency, and because the restaurant industry is acutely location based, we know you need to understand customer behavior at the DMA level. But the additional level of granularity you need is at the “service channel” – in-store, delivery, digital orders, drive-thru, even down to the daypart (if you want to increase sales in a specific meal occasion, like breakfast, when you are more known as a lunch or dinner choice.)

Different media can be targeted to different service channels, or if not targeted, may have a different impact on sales conversion based on different service objectives. Models need to be finely tuned to give you enough data to be predictive and actionable, but not so much granularity to drown your teams making "in the moment" media buying decision. Only a partner experienced in the category can know how to serve up that balance effectively.

3. Can your model adjust for seasonality, weather, inflationary factors and even the behavior of competitors, who are hungry to pick off your customers?

More than any other category, the complexity of how you make media buying decisions is influenced by many factors beyond your control. Effective marketing mix models integrate these factors so that your plan reflects how these combinatory factors can be blended to achieve the most predictive recipe for success.

4. Does your model provide a story to tell all the stakeholders in your ecosystem, that supports your strategies for growth?

In a volatile business climate, your C-Suite is looking for "whys" but also "what now?" messaging for shareholders, staff, franchisees and customers. They need to demonstrate how your brand is either going to build on growth and expansion strategies, or sadly for some brands, how you are going to claw back revenue after losses.

Your CFO and COO want to understand if marketing is building the baseline for same-store sales as well as long-term impact. In an industry that is notoriously focused on short-term results we are seeing a shift to the desire for marketing to be measured against long-term goals such as cost of customer acquisition and retention via loyalty programs. We hear questions like "Why are people coming back to the restaurant? Not just the occasional visit, but regular, heavy usage by the loyalists?" The right model can show the short-term impact of marketing investments but also the long-term benefit to the base that keeps those loyalists coming back for seconds.

Admittedly media is just one of the components of marketing to leverage. But without a razor sharp media plan, the return on all other marketing investments, as well as LTOs, will be sub-par.

5. Can your decision makers optimize your media plans dynamically, at any stage of a campaign, with "what if?" questions to drive higher return, or more efficient sales?

Most marketing performance measurement models are static and backward looking. Key to making MMM a vital ingredient in your recipe for growth is accessing your data over the life of a campaign and predictively into the future, to reveal agile adjustments to your media plans. At i4i we have invested heavily in the development of Optimetry®, our always-on software tool for media optimization. It enables our clients to leverage their mix models dynamically for scenario planning, to simulate, optimize and grow, through more finely tuned media spend, throughout the life of the campaign.

Measuring and optimizing marketing performance is essential to achieving equilibrium in the operations of your business. Finding the right partner to help you achieve it should be the easy part.

To learn more about how we can serve you, or how Optimetry can support your media scenario planning, contact us today at info@in4ins.com.

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