A Winning Recipe for Attracting Consumers

The Importance of Local Marketing for Multi-Location Restaurant Brands

Restaurant Consumers & Brands are Increasingly Online, Mobile, and Local

Whether discovering a new restaurant, reviewing a menu or making a reservation, consumers are increasingly using search engines, social networks and smartphones to find what they need.

For example:

- Restaurants are the most common local search category, accounting for 23 percent of local business searches—more than double any other search category[1].
- When selecting a restaurant for the first time, 72 percent of quick service and casual dining consumers have consulted a website, 67 percent have consulted a third-party review site, and 48 percent have consulted a social network[2].
- Sixty-seven percent of restaurant consumers use a smartphone or tablet to look up locations or directions, 52 percent use such devices to order take-out or delivery, and 50 percent access rewards or special deals via smartphones and tablets[3].

The data illustrates that the information diners find online influences their decisions on what to eat and where to dine. In fact, location is critical: a 2013 xAd/Telmetrics study[4] found that close proximity is crucial, as 65 percent of restaurant consumers seek a provider within five miles of their location. Furthermore, Google has observed that 20 to 50 percent of searches have a local intent.

The restaurant industry has taken note of these online, mobile and local trends— and brands have taken action. For example, Millennial Media[5] recently ranked the restaurant category as one of the top industries worldwide for increases in mobile ad expenditures, with the sector's investments in mobile ads increasing 34 percent annually. In a 2014 report [6], the National Restaurant Association noted that 30 to 40 percent of restaurant operators are active on social media. And BIA Kelsey[7] predicts that the quick service restaurants category will increase online local ad spending from $434.4 million to $618.6 million by 2017. Local advertising is not only a high growth area, but also comprises a large portion of existing spend—in fact, a 2013 Verve Wireless study found that the quick serve restaurant industry is the fourth highest spending industry when it comes to location-based advertising, accounting for 12 percent of all such advertising.

Your consumers and your competitors are online, mobile, and local so it is imperative that you act now to build or expand your location-based, online marketing activities for your restaurant brand. This paper will address three essential local marketing strategies that will ensure you are where your customers are, and that you are differentiated from your competition: 1) data accuracy, 2) online coverage, and 3) highly relevant and customized content.

Ingredient 1: Be Accurate

As a multi-location restaurant business, at the core of your online marketing activities is the data about your hundreds or thousands of locations. A 2014 comScore[8] study found that the primary information sought during local searches includes address/location, phone number, hours of operation, and driving directions. It is critical that this data is readily available across search engines, social networks, and online listings for each and every one of your locations. It can be difficult to manage such dynamic and abundant data—but it is absolutely critical because all downstream activities will suffer from inaccurate or incomplete data.

Consumers will notice if the data is bad. Placeable's own consumer research[9] found that 73 percent of consumers lose trust in a brand when an online listing contains incorrect information. Research shows that missing and bad data is prevalent across the web. A Search Engine Land article[10] cited that 18 percent of listings have a missing or inaccurate phone number, while 43 percent of listings have a missing or inaccurate address! These data omissions and errors are costly.

Take the simple example of phone numbers. What if a location is missing a phone number or the number is wrong? A September 2013 study by Google and Ispos[11] found that 70 percent of mobile searchers have used "click-to-call" to connect directly from a search engine, and 47 percent of mobile searchers say that if a business does not have a phone number associated with its search results, they will be more likely to explore other brands. Bad or incomplete data means lost revenue.

But how can you ensure data is accurate? Where is your location data housed and how many systems must be accessed to gather such data? How labor-intensive are the data update processes and how many people touch the data?

CASUAL DINING

What does bad data cost?

Consider a 1,840 location casual dining brand that offers both food and alcohol and has an average check amount of $45. If the company had phone data errors with just 5% of its locations it could mean a loss in revenue of $1.2M from diners that chose to go elsewere[12].

To improve the accuracy and completeness of your data, consider a centralized database with easy importing and uploading processes.

The ideal system should be:

- Include batch upload and update capabilities
- Track all data changes
- Run data through automated address standardizations and verification steps
- Regulate who has access to the data and include version control and audit trails
- Provide synchronization capabilities with information stored outside of the system
- Feature automated batch geocoding capabilities and enable users to re-plot locations for ultimate accuracy
- Format data for easy export to third parties

An automated, centralized system is the best way to ensure that location data is up-to-date and accurate. It is also the most cost effective way to manage this data. And because it is so efficient, it is easier to increase the depth and richness of your local data. Data accuracy is the secret ingredient of your local marketing program—and you can't market your signature dishes without it.

Ingredient 2: Be Present

Once you have accurate data, it needs to be visible to consumers—wherever they are looking. And today that means coverage well beyond traditional resources like online yellow pages and business directories.

A leading web analytics firm, Alexa, publishes traffic rankings that measure how popular a website is based on estimated daily unique visitors and page views. The lower the ranking, the more traffic a given website has. Search engines and social networks are at the top of the traffic rankings according to Alexa's April 2014 rankings[13] for the United States:

- Google — 1
- Facebook — 2
- Yahoo! — 4

- Bing — 11
- Yelp — 30
- Foursquare — 616

The top traditional online yellow pages and business directories rank considerably lower, as demonstrated by this sample of such websites from the same timeframe:

- YP.com — 2,475
- YellowBook.com — 3,351

- Hotfrog — 5,363
- YellowMoxie — 53,090

The restaurant industry echoes general web trends when it comes to the dominance of search engines and social networks in consumers' research patterns. A recent study[14] commissioned by Google revealed that nearly 70 percent of quick serve consumers go online to find restaurant information, including location, directions, hours and menus. Of these customers, more than half use search engines to learn about dining options.

Our own research[15] yielded similar results across all restaurant types, with 51 percent of consumers using search engines to locate a nearby restaurant. A 2014 National Restaurant Association survey[16] found that 30 percent of consumers used information from customer-driven review sites (such as Yelp) to help them select a restaurant. Thirty percent of respondents also used information found on social networks to decide on a restaurant. Tellingly, business directories and yellow page sites appeared nowhere in the results.

QUICK SERVE

What is the cost of not being found online?

The industry average check size for quick serve restaurants is $5.30 (source: NPD Group CREST research 2014). Consider a quick serve brand with a target market of ten million consumers—assume that 30% of the consumers use social media information to select a restaurant and of those, 2% dine at a quick serve restaurant one time per month. The brand does not have a social media strategy to attract these diners and is therefore missing out on $3.8M annually!

The online behavior is not limited to just research and selection, but increasingly includes online ordering too. Consider national pizza chains—a study of financial data[17] from three of the top five pizza chains found that 35 to 46 percent of the brands' revenues came from digital orders, including website and mobile applications. And another of the top five chains that recently began to offer online ordering reported increased frequency and average transaction size. It is essential to be found online not only by diners researching restaurant options but also by those seeking to place takeout and delivery orders.

Such findings make it clear that your brand and your location data need to span search engines, social networks, mapping tools, mobile apps and other online resources.

What mechanisms do you have in place to deliver data in an automated fashion to these third parties? Is that data already in the format required by each of the online properties? How do you update formats as search engines and social networks change their APIs and submission requirements? How do you ensure that information displayed by listings aggregators is up-to-date?

A marketing automation platform can automate delivery of your location data to search engines, social networks, listing aggregators, and even your own web properties. Such a platform handles formatting and submissions in the manner required by each channel and directory type. And because the process is automated, it saves you time. By better satisfying diners' appetites for online and mobile dining resources you are on the right track to capturing more restaurant visits and revenue.

Ingredient 3: Be Relevant

Maintaining accurate data and being present in the right locations are a great start, but to perfect the local-marketing recipe brands must provide the customized, relevant content demanded by today's consumer. While hours, location, directions and menus are essential, consumers seek additional information like reviews and comments, customized, location-specific offers, videos and photos. Such content also yields better placement in search results.

Let's look at reviews and comments: a 2013 restaurant marketing trends report[18] found that 72 percent of diners trust someone they know or online reviews when selecting a restaurant, and three out of four have made restaurant and retail decisions based on comments and images shared by others. Videos are also key— consumers have a thirst for video content, as evidenced by YouTube being the third most visited site on the Internet[19]. And relevant results that include video are consistently ranked higher by search engines than text-only content[20]. Or consider customized offers: our research[21] has found that 73 percent of consumers like getting seasonal offers from local businesses and 55 percent consider it helpful when ads and offers are personalized to their needs and interests. But restaurant consumers are easily swayed to competing brands—73 percent say they would go to a competitor if they received a special offer while searching for a particular restaurant. Therefore, rich online content is critical to restaurant businesses looking to keep existing customers or capture new customers from competing brands.

FINE DINING

What is the benefit of more relevant, customized online content?

Consider a fine dining brand with 120 locations and an average check value of $200. Each of its local markets average 10,000 monthly searches for fine dining. With more relevant and locally customized content the brand will have higher rankings and capture more of such searches. For example, if the brand captured just 1% more of the searches and 20% of those searchers visited one of its locations, the brand would earn an additional $5.8M in revenue each year.

It is clear that relevant offers (such as a discount on desserts or a free appetizer with a meal purchase) work well to draw customers to your location. And with accurate location data, applicable offers can be placed on locators and landing pages—such as offering soup specials during a snowy afternoon in Denver or ice cream promotions during a heat wave in Detroit.

In fact, according to the Mobile Marketing Association[22], ads that are dynamic and location customized increase click-through rates by over 60 percent and eliminate the need for multiple versions of creative. In order to deliver highly

relevant and customized information, however, you must have a unique landing page and mobile presence for each and every one of your locations.

How prepared is your team to create and update hundreds or thousands of landing pages? Will those pages feature custom offers, automated ads, local SEO, and rich content like videos and third-party reviews? Does your team have the necessary competencies in the areas of location data management, listings automation, locator development, SEO and geocoding?

A proven third-party provider that focuses on local marketing brings this expertise to you, and more sophisticated providers even offer automation capabilities for centrally managing content and propagating it to multiple pages all in one step—serving up the relevant and rich digital content that boosts your chances of bringing consumers to your table.

For More Information
Please contact us at success@ignitetech.com or visit www.ignitetech.com.

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