

REVIVING THE RELEVANCE — OF — RESTAURANT BRANDS

The post-recession mindset has shifted and consumers are making choices based on quality as well as value in all categories, including restaurant dining. Food selections support their lifestyle choices whether it's nutritious, locally sourced, or ethnically inspired food, and for the first time ever, **consumers are now spending more on restaurants than they are on groceries.**

While independent dining options have honed in on these elements, many national brands are taking a runner up role with consumers. To revive relevance in national chains, restaurants need to consider these key factors—individuality, experience, focus, and innovation—to recapture their share of the consumer spend.

How to Maintain Relevance

Key principles to align with customer values and stay competitive in a shifting marketplace

SCALING INDIVIDUALITY

It's time to move away from a cookie cutter restaurant roll-out mentality. Consumers desire personalized experiences. For years grocery stores like Whole Foods have capitalized on what independent restaurants have been able to do so well by **providing authentic experiences that embrace the community**. The core of the brand exists in every store—values are to be seen in action—but the local community influences the design aesthetic. No two stores are alike. The name carries the brand and expectations delivered through experience.

Another brand who knows a thing or two about being one-of-a-kind is pizzeria Mellow Mushroom. With 170 locations across the U.S., Mellow Mushroom showcases a locally inspired, eclectic design with art as the focus. Patrons in Coralville, Iowa will find a large spaceship suspended in the air with an artistic interpretation of a crop circle suggesting a possible alien invasion. Whereas in Wellington, Florida an equestrian theme is supported by life-size horses, an impressionistic polo mural, and hurdle-inspired booths for seating.



KEY TAKEAWAY:

Focus beyond just being local. Authenticity is the real key here. Consumers can smell a disingenuous attempt from a mile away. **Do your market research to understand the community.**



source: TimeOut Chicago



Half of consumers say restaurants are an essential part of their lifestyle.



source: Eataly, Chicago

CRAFTING THE EXPERIENCE

Dining out isn't just about a meal; it's about an experience. Open kitchen concepts paved the way for food transparency, but consumers are looking for more contextually rich experiences that combine education. **It's about creating a place where consumers are not only engaging with your food but with your brand.** They're looking to learn chefs' unique point of view and culinary education.

Believe it or not, a winery-restaurant combination is not as commonplace as one might think, even along the west coast in the heart of Napa Valley. In 2005, Tim McEnery paired this approach with house wines to launch Cooper's Hawk Winery & Restaurant in Oakland Park, Chicago. Since then the brand has successfully brought their extensive offer of house wines to an all inclusive restaurant experience. The brand integrates education through tasting rooms and adds a retail component to augment the overall experience. And often, loyal patrons find themselves becoming wine club members where they're invited to exclusive tastings and special events.

The 63,000 sq. ft. Chicago Italian food market, Eataly, is home to over 5,000 high-quality Italian products. Each item is hand-selected and vetted by a team of Italian culinary experts, who understand its origins, how it was grown and when it was harvested. Their mission isn't only for you to discover great artisanal products, but also to learn about the products with the belief that the more you know, the more you will enjoy. The environment positions itself

as a laboratory for learning all things Italian. Aside from the shelf level product information, a skilled team of baristas, bakers, pasta makers, and butchers are there to not only make and prepare fresh food, but to serve their customers with education. They even have a culinary school for guests to experience the Eataly passion firsthand, learning how to make a Chef's signature dish or new techniques for making fresh pasta. With twenty-three different restaurants, there's a healthy dose of dining options. Each restaurant is also strategically positioned next to an area in the market in which it sources its ingredients, making it convenient for taking some home.

KEY TAKEAWAY:

Determine the stories your customers need to know to develop a greater appreciation and connection with your brand. Is it time to dispel a certain brand perception or are you not getting credit for what makes you unique? Identify ways to integrate education into the experience. When you can make it participatory too, it only becomes more memorable.



source: Eataly, Chicago



source: Piada

CULTIVATING FOCUS

Over the years some restaurant chains have fallen victim to losing focus in concept and design. From location selection to menu development and environment design, not all change is good. **Focus means understanding your brand offer and not trying to be everything to everyone.**

With a Chipotle-style approach, Piada focused its Italian Street Food concept with hand picked ingredients sourced from local farms. While ingredients are simple, each visit allows guests a new combination to customize a meal uniquely to their own. Warm stained concrete floors and raw steel tables with wood tabletops provide an industrial feel fabricated to each locations' unique specifications. It's not an off the shelf ambiance. The contemporary environment combined with great food, fresh flavors, and good service merges to create a holistic brand experience. Piada transports guests to a little piece of Italy creating a truly unique experience.

Shake Shack, which started as a hot dog cart in Madison Square Park, has turned into one of the most desirable fast casual concepts, serving up all-American classics, burgers, dogs, shakes, and fries. The brand's vision "Stand for Something Good" is built into all aspects of the business including the ingredients that make up the menu, the design of the Shacks, and community engagement. What else is good is their average store performance pulling in at \$4 million—twice that of McDonald's average store performance in the US. And while growth can sometimes present challenges to stay true to the foundation of a brand's beginnings, Shake Shack embraces a mantra of "The Bigger We Get, The Smaller We Need to Act" meaning that they always need to stay true to their guiding principles.

KEY TAKEAWAY:

Use your space to communicate your values, and you'll find not only employees, but customers will help keep you accountable. After years in an industry of competitor and economic pressures, it's not a far stretch to say it's easy to stray from the driving principles of the brand.



8 in 10

consumers say dining out with family and friends is a better use of their leisure time than cooking and cleaning up.

HOW TO BUILD IN CHANGE

Too often, the opportunity for innovation happens on a five-year cycle when brands decide a new prototype is in order. Develop a new restaurant design that checks all the necessary boxes: consumer needs, competitive differentiation, operationally sound, and aesthetically attractive. Check. Prototype complete. Roll it out across the chain and move on.

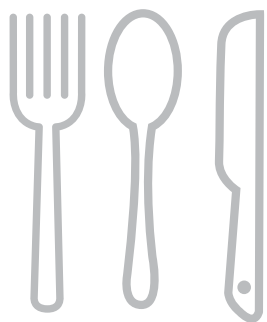
So when does true innovation happen? How can a restaurant chain find that magic moment of “Eureka!” that will extend their brand into the future of foodservice?

Brands need to embrace the restaurant experience with the same intensity and rigor that they invest into menu development in order to uncover their next generation offer. Consider this your test kitchen 2.0, a place where every dining detail from seating options and table heights to kitchen placement and hostess stands to lighting and material selections can be tested in a real world environment. It’s an exploratory approach to dining that pushes restaurant brands to continually plan their foodservice future.

KEY TAKEAWAY:

Today’s evolving restaurant landscape requires planning for the future. The category continues to shift with QSR concepts expanding into the fast casual category. At the same time, fast casual concepts are looking to pick up the pace with quick-serve concepts, while casual dining is competing with local independents. **Chains who wait for customers, the market, and eventually, sales to demand change will find it’s too late.**





Are you ready to revive
your brand and build
your restaurants' future?

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