

A man and a woman are smiling and looking at a tablet together in a restaurant setting. The man is wearing a denim shirt and an apron, and the woman is wearing a blazer. The background shows a restaurant interior with a hanging lamp.

FEEDING RESTAURANT SUCCESS

**5 MARKETING CHALLENGES
AND THE DIGITAL TOOLS
THAT FIX THEM**

VERICAST |



RESTAURANT DIVE

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AS THE ECONOMY CONTINUES TO FLUCTUATE, RESTAURANTS ACROSS THE SPECTRUM — QSRS, FAST-CASUAL AND CASUAL DINING — ARE ADAPTING TO NEW CHALLENGES AS THEY ARE BUFFETED BY HEADWINDS THAT RANGE FROM ISSUES LIKE STUBBORN INTEREST RATES TO THE RESUMPTION OF STUDENT LOANS, WHICH MAY PUT A DENT IN DINERS' BUDGETS.

Economic conditions aside, restaurants are constantly grappling with competition and evolving customer habits, underscoring the need to remain focused on driving traffic and ensuring that their brand is the location of choice when diners make a decision.

“The key lies in tapping a robust reservoir of digital data to provide a full view of what the consumer is doing both offline and online and then reach them with relevant messages,” said Dana Baggett, director of client strategy for the restaurant category at Vericast, the only company with that capability.

Read on for five common challenges restaurants face when engaging with their target consumer, along with the digital marketing solutions you should add to your toolkit to boost customer desire and loyalty — and ultimately your profits.



/ CHALLENGE 1

LACK OF RESOURCES

Restaurants have become accustomed to doing more with less, which makes calculating return on investment especially urgent, particularly in light of so many competing priorities. Stores with a corporate entity face an even more complicated web as they aim to gauge the effects of their spend when it's intertwined with umbrella brand marketing efforts.

They might also tend to overcommit to tried-and-true strategies, like print, which, while still unquestionably viable, can't accomplish the entirety of their marketing goals when used alone.

The best way to get the most bang from their marketing buck is by augmenting print with digital channels, like connected TV, which is flexible and thus adaptable to any strategy. For example, owners and operators who want to market a single store can hypertarget ads according to location address, or multiple store owners can share the costs of a larger regional drive. "Our solutions that pair digital and print campaigns extend the message to reach a much wider swath of customers, whether they prefer tangible coupons or in-app offers," Baggett said.

/ CHALLENGE 2

UNEVEN ADOPTION OF DIGITAL MARKETING PROGRAMS

Franchise owners have a lot on their plate to manage — from day-to-day operations like customer service and payroll to ongoing issues such as inventory or labor concerns. In addition, they are often responsible for local marketing, which can be daunting for those who don't have the expertise or the inclination to handle such an intense function. That all changes when they see how easy it is to quantify success, with robust metrics that clearly show which campaigns are resonating with specific audiences to support more informed investments.

Yet, in the restaurant world, there are so many groups working both together and separately, often trying to execute different strategies and solve for divergent targets, noted Tyler Conner executive director of digital sales at Vericast. “The single-store owner and operator has a very different need and concern than a brand's chief marketing officer, and Vericast can provide packages that attack the problem from all angles, starting with a minimal buy all the way up to major programs,” he said.



This variety means the Vericast team can reframe and repurpose successful efforts from any direction — top-down or bottom-up. For example, Conner mentioned they might be working with a brand at the corporate level and then approach local owner-operators to show the success metrics a campaign is having, which they could then deploy in a targeted capacity to drive traffic on a granular level. Or if a single store is finding marketing magic with a grassroots guerilla strategy, that can then be adopted by a co-op or multi-owner group, even elevated to the corporate level, thanks to Vericast’s ability to compile and aggregate data that shows its success with a measurable sample.

However, certain demographics who aren’t as familiar with digital media may be less well-versed in how digital marketing works. “They may be inclined to continue to just send their coupon because that’s been a goldmine in the past, or they might operate with what we call ‘a focus group of one,’ by asking their kids if they like digital coupons and then using the response to represent the entire generation,” Baggett said. She adds that she sees real buy-in when one influential franchisee takes the plunge and then talks up the strategy, sharing data-driven measurement figures that detail exact metrics, which helps other managers recognize the benefits.

“We know that print and the digital together amplify results,” she said.

“We get better response and greater incremental sales and traffic when those two run together versus either in silo.”

/ CHALLENGE 3

FRICITION IN OFFERING PERSONALIZATION AND CUSTOMIZATION

The crucial impact of data is only going to grow with tightening privacy regulations making it harder to collect customer information. As third-party cookies become disabled, restaurants will lose a critical line of sight to their customers' demographic identity and browsing behavior. Increasingly, that means they need to rely on diners sharing their personal information themselves.

“The key is to marry your own first-party customer data with Vericast’s treasure trove of proprietary and household data we’ve been collecting for over 50 years,” said Conner. “That’s when things can get really interesting.”

By mobilizing Vericast’s vast suite of tools, you can pinpoint where your diners are going when they’re not dining with your brand, said Baggett. “With that knowledge, you can court the customer to entice them for another visit.”

Say you have a customer who visits your burger restaurant once a week but goes somewhere else the other days. If you can see they just got their weekly burger fix yesterday, don't send them another burger promotion today. Instead, highlight your variety and invite them to try another menu item, even sweetening the deal with a discount. Or, if you have a lapsed customer or someone who's not currently your customer but is dining with a competitive brand, you can present a more aggressive deal.

With skillful daypart targeting, you can send a message just as that customer is making their lunch plans or as they head home and are searching for a convenient dinner option. "We can measure the success of all these targeted discounts

really well and let clients know which coupon is driving traffic more than another, which allows them to refine their offer sets," said Baggett.

Another option is a tiered program, which sounds complicated, yet is very easy for Vericast to accomplish. That entails sending out multiple offers that appeal to different segments — value meals for families or limited-time perks for the lunch crowd. "Brands get really excited when we explain what we can do with the data and how it will help them build engagement with their current customers while attracting new ones, including those who might be exploring newer lower-cost options during fluctuating economic environments," Baggett said.

TYLER CONNER, EXECUTIVE DIRECTOR OF DIGITAL SALES, VERICAST

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/ CHALLENGE 4

DIFFICULTY IN QUICKLY ADAPTING TO CHANGES IN THE MARKET

Conditions can change on a dime, which can make your marketing look outdated in a hurry. Although corporate marketing teams typically have a future-forward strategy, every quarter they recalibrate and tweak based on current events, but sometimes there's only so much they can do if they're locked into a print run.

Digital marketing allows restaurants to be especially agile and react quickly, whether it's by updating messaging or shifting spend to different customer segments or geographic markets. "We work with our clients to plan throughout the year, taking into account peak periods with an eye on what their competitors are doing," said Baggett. "If another brand is owning the airwaves, they need to make themselves part of the conversation or they will struggle."

"Vericast can get even more granular in real time," said Conner. For instance, let's say your national marketing team had a big push for nuggets, sending sales skyrocketing. That's great news — until your supply dwindles, which can disappoint hungry diners making a special stop for that menu item. With digital marketing, you can swap out your creative and push a menu item you're all stocked up on, creating a win-win for you and the customer.



Or you could take advantage of weather changes to send related promotions, such as an iced coffee offer on an unseasonably warm fall day, swapped out with a hot coffee promotion when the thermometer drops.

Baggett also said her team can help brands shift dollars quickly to take advantage of unusual opportunities like “mega pay dates” when more consumers than usual will be getting their paychecks on a given day — and ideally spending that newfound cash with your restaurant.

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/ CHALLENGE 5

DIFFICULTY IN QUICKLY ADAPTING TO CHANGES IN THE MARKET

Loyal customers are the heartbeat of a restaurant, but these days consumers are becoming more fickle — and often it's related to their wallet. In fact, Vericast's August 2023 "Awareness-to-Action Study" found that 59% of respondents say rising prices cause them to be less brand loyal, which means brands have to be on their toes. "Just the fact that a customer has downloaded their app no longer translates into an automatic sale," Conner said. [Vericast's "2023 Restaurant TrendWatch" research](#) further finds that 66% of frequent fine diners and 57% of frequent casual diners say if a restaurant doesn't reward their loyalty with coupons and discounts, they will switch to one that does.

Their top two concerns? "Who can give me the best deal?" and "What have you done for me lately?"

"Customers are extremely motivated by deals and incentives; around 20% of the population is what we call 'switchers,' who are jumping around because of coupons," said Baggett. That can be a double-edged sword: While some of your loyal customers might be looking around elsewhere, you can also take advantage of another brand's diner with a wandering eye.



To successfully attract and retain diners, restaurants need to launch marketing blitzes on both fronts — rewarding frequent diners with special perks, like a free soda or birthday meal, to keep your location top of mind, while also reaching out to new or infrequent customers, who might be inclined to try the restaurant with the right promotion.

“It’s key to have offers in the marketplace that will encourage trial; our research shows that more than half of consumers who are coupon users are likely to try a new restaurant because of a promotion,” said Baggett. She suggests upping the appeal with a special experience or putting a time limit on it that induces urgency into the process.

Then once you have them there, you can start building the type of relationship that will make them regular visitors. “It goes back to the data,” Conner said. “It’s

a massive miss if you’re not optimizing your data to see which messages and discounts are most apt to resonate.”

Another reason loyalty may be eroding could come down to pure economics, points out Conner. “Many people are redirecting their shopping dollars to the grocery store, which they might perceive as a better value.” Some restaurants are finding that presents a fresh opportunity when they mobilize Vericast’s unique ability to source data from grocery stores in addition to restaurants to provide a holistic look at “share of stomach,” which allows restaurants to align with consumers’ needs for any eating occasion.

“If you see a loyal diner who appears to be trading down to frozen pizza, you can remind them of your fresh pie that will elevate their family dinner, then offer them a coupon to make it more financially feasible,” said Conner.

/ ARE YOU READY TO SERVE UP SUCCESS WITH MORE TARGETED DIGITAL MARKETING?

In a market saturated with competitors who are bombarding your customers with marketing messages, embracing data-driven insights is the key to earning their attention. “With Vericast’s omnichannel approach, we can create multiple touchpoints with the customer throughout the day, week and month,” said Conner. “We can layer messages that will arrive in the physical mailbox, then reach them as part of their streaming experience on their mobile device and even try a digital audio message while they’re out for a walk.

Our full-funnel approach means we can target different channels so wherever your customer is consuming media, you’re constantly in front of them with a compelling message.”

Want to know how you can harness Vericast data to amp up your restaurant marketing? To find out how its powerful combination of intelligence, media and technology can help you engage diners and inspire action, visit [Vericast.com/industries/restaurant](https://vericast.com/industries/restaurant).

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Vericast is reimagining marketing solutions one business-to-human connection at a time. By influencing how over 120 million households eat, shop, buy, save and borrow, Vericast fuels commerce, drives economic growth and directly accelerates revenue potential for thousands of brands and businesses. While its award-winning portfolio of products, technology and solutions are part of the Vericast story, its people are the true differentiators; trailblazers in data intelligence, marketing services, transaction solutions, campaign management and media delivery.

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