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***M/A/R/C Makes a Difference for a  
Leading Casual Dining Chain***

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**Restaurant Chain**

**A Continuous Tracking  
Case Study**

**M/A/R/C<sup>®</sup> Research**

## **M/A/R/C Makes a Difference for a Leading Casual Dining Chain**

*How M/A/R/C® helped one restaurant chain enhance its ability to assess and manage competitive positioning.*

### **The Business Issues**

The new research director found that there was not an effective research tool in place to provide timely information on the basic health of the brand. Specifically, he had limited information on customer perceptions of key elements of the brand, the impact advertising was having, and the firm's competitive position in a category that was extremely active.

This realization occurred at a time when business had flattened. The chain had reached a mature stage. The organization suspected that it had gone stale for consumers. Its physical restaurant decor needed refreshing. In addition, many feared that there were problems in some fundamental food and operational areas. Also, competition from exciting, new concepts and aggressive competitors seemed to be taking a toll.

For the types of changes that management was considering, accurate and real-time data were needed to guide the strategic planning process. And as importantly, there was a need to monitor the effects of new, strategic initiatives on awareness, consideration, customer preferences, and perceptions of the brand.

In previous positions with a packaged goods provider and a fast food restaurant chain, this research director had observed M/A/R/C's capabilities and experience with restaurant research and continuous tracking. Based on that previous experience, he chose to collaborate with M/A/R/C to design a tracking tool which would fill the information void.

### **The Research Objectives**

A variety of strategic questions were driving the need to establish a new tracking tool:

- What was the chain's competitive position, and what opportunities existed for defending its position or capitalizing on competitors' vulnerabilities?
- What did customers associate with this restaurant? What strengths could be leveraged and what weaknesses could be addressed?

*Avoid existed in timely and actionable trend data on competitive position.*



## **The Solution**

The study M/A/R/C designed combines continuous interviewing with quarterly reporting to give this client the information it needs to assess and manage its competitive position.

The sample design was complex, with two components to the design. A “national” component includes over 100 geographic markets, which represent the bulk of this client’s restaurant locations, and this component focuses on comparing this chain with its national competitors. A “regional” component includes a smaller set of geographic markets, and it focuses on comparing this chain with “up and coming” regional competitors that have a “premier status” in the market.

In all markets, sample has been randomly selected within the trade areas of the individual stores, requiring sampling at the census tract level.

All of the geographic markets have interview quotas which are managed daily and updated weekly, in addition to the age and sex contact quotas which ensure a representative sample of adults.

Within each interview, the respondent can rate up to three restaurant chains on a series of imagery items. While the interview proceeds seamlessly for the interviewer and the respondent, complex programming logic is used to select and track appropriate chains. This program allows us to manage the distribution of ratings to preset targets for each chain based on its market presence and how much priority the client places on the competitor.

Because competitive chains vary widely in terms of the number of markets they compete in and the number of units they may have in each market, M/A/R/C has developed a weighting procedure for each reporting period to “level the playing field” and make relevant comparisons possible.

In addition, a variety of multivariate procedures have been used to help address important strategic issues:

- Regression analyses have been used to determine which restaurant attributes are most related to overall rating and future purchase intent.
- Multivariate analysis of variance has been used to detect changes in trends in key measures.
- Discriminant analysis has been used to identify the most important differences between heavy, moderate, light, and lapsed users.

*The study design addresses the unique aspects of the casual dining category.*



## ***The Results and Actions Taken***

Because it was new and used a different method from the familiar research study it replaced, this study has received a great deal of scrutiny. However, if its level of integration into the everyday operations of the company is an indicator, its success is evident. The Tracker has become an extremely important information source throughout the restaurant organization.

Because this is an ongoing study, the data have many uses. The tracker team, which consists of staff from M/A/R/C and the client organization, meets quarterly to discuss findings, interpret the results, and plan the messages to be communicated throughout the organization.

Some specific examples of how the results are being used are listed below.

- Tracker data are being reviewed and used by executive management to guide and confirm strategy—they use a quarterly feature called the “Image Grid,” which summarizes the company’s competitive position in a user-friendly, one-page summary.
- Tracker data are being reviewed in monthly status meetings and are distributed quarterly along with key financial measures.
- Tracker data have played a prominent role in business plan development.
- Performance goals are being built around tracker data (e.g., a % service goal for the restaurant chain).
- Some recipients of the data are beginning to proactively seek out the information before they are scheduled to receive it.
- The tool was one of the primary data sources used to guide a major strategic initiative and is one of the primary indicators being used to monitor the success of the initiative.

In summary, this assignment features many characteristics which are non-routine for many firms, yet are handled routinely by M/A/R/C—a non-traditional sampling plan, complex survey programming, data weighting procedures, and multivariate analyses applied to answer important strategic questions.

From the start, M/A/R/C has shared ownership in making this research tool a worthwhile investment for this restaurant chain and in making it a valuable asset for managing the enterprise through one of the most competitive periods in its history.

*The Tracker has become a highly anticipated and valued strategic tool for management.*

*The study leverages many of M/A/R/C’s core competencies to deliver desired benefits to the client.*

