



Not Just Branding: Re-Branding

In today's 'experience economy,' chain restaurants are being challenged to evolve not just their concepts, but themselves.

● **ASK CHAIN RESTAURANT OPERATORS TO IDENTIFY** their biggest challenge and they'll invariably say, "Keeping the concept fresh." Frankly, they were saying the same thing five and 10 years ago, but it's still the right response.

Today, however, "fresh" means delivering more than a new menu item. It's creating a total environment that enables guests to create their own unique experience, one that's layered and interesting enough to enable a new experience each time the guest walks in the door. As Joseph Pine and James Gilmore point out in *The Experience Economy* (Harvard Business School, 1999), goods and services are now commodities. What differentiates and drives loyalty is

the experience delivered by the brand. Today, the authors say, the service economy is giving way to an "experience economy" in which businesses that "learn to stage a rich, compelling experience" will succeed.

What constitutes an experience vs. a good meal? A truly great experience must immerse the guest emotionally, physically, mentally and spiritually. The end result is that the guest is transformed, his time has been well spent and the experience becomes imprinted on the guest's memory as YOUR brand. Your logo, décor, meal or even good service alone is enough to "brand" the guest. The experience must express a point of view, tell a story and meticulously manifest the intent of the brand.

ILLUSTRATION: LOUISE MARSH

That presents a particularly awesome challenge to chain restaurants. Delivering on the ephemeral level of “experience” just once is insufficient, as numerous eatertainment concept operators found. To generate the repeat business necessary to sustain a profitable economic model, chain operators have to constantly evolve their brand. No easy task, especially for mature chains whose signature concept elements, core menu items and customer perceptions – not to mention business processes – are deeply ingrained. After 15, 20 or even 30 years of sustaining a brand, the idea of changing direction can be downright frightening.

Today’s consumer demands relationships, customization and an experience – three imperatives this industry has yet to systematically embrace. The up-and-coming entrepreneurial chains are starting with these consumer needs in mind, however. Several upstarts are creating lifestyle environments that engage the consumer, drawing them into the brand through positive experiences. For example, Cosi – the sandwich-by-day, coffee-bar-by-night concept – anticipates its customers’ needs throughout the day and satisfies the desire for a “third place.” Or, the quality- and value-oriented Dreamland Bar-b-cue in Birmingham, Ala., speaks to the growing interest in comfort foods.

Both of these companies are strategically organized to be flexible, responsive and creative. As a result, they are able to evolve their offerings and alter their business strategies in ways that anticipate consumers’ needs, interests, wants and desires. New chains have an advantage in that they are consumer-centric and experience-driven from the start.

For mature chains to remake themselves, they must first scrap the old approach to brand development. Marc Gobe outlines a reverse engineering strategy in his book, *Emotional Branding: The New Paradigm for Connecting Brands to People* (Allworth Press, 2001). Marketers should first decide how they want consumers to feel about their brand, and then design the concept, presentation, logo and all other aspects to engage them emotionally in understanding the brand proposition. For the restaurant operator, that means everything – color palate, lighting, climate control, music, food presentation, service style – must come together to deliver an experience that elicits an emotional connection to the brand.

So how does a mature chain re-brand? First, take a page from the younger companies and

start with your consumer. Assess how your consumer currently relates to your brand, and rethink how to leverage the positive – possibly into a totally new direction – and do away with the negative and/or predictable impression.

Several established chain companies have gone back to the drawing board and taken a new brand direction. In the quick-service chain segment, staying fresh can mean the difference between surviving or not, let alone prospering. Subway, the sandwich chain with 14,700 locations worldwide, created a totally new brand association three years ago. It presented itself as dedicated to health and freshness by touting breads baked on premise for its low-fat sandwiches. The company has evolved its advertising campaign and its concept to embrace wellness. Subway restaurants are no longer considered sandwich shops – they’re a healthy, fresh alternative to other fast foods.

Darden Restaurants’ 654-unit Red Lobster chain has successfully turned everything upside down and driven positive sales gains. Not only was the concept revamped, but the

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menu and dining environments were redesigned to better anticipate and satisfy patrons. The lounge areas were expanded and reinvigorated, the service style updated, and a steady stream of new menu items continues to spark diner interest. An ongoing, comprehensive marketing campaign consistently engages consumers in the new Red Lobster brand and showcases its evolution.

To enable the ongoing re-branding that has delivered sustainable growth, Red Lobster had to retrench its business systems. Such a redesign of business processes was undoubtedly costly, time-consuming and involved a shift in corporate culture that began at the top.

Therein lies perhaps the biggest obstacle to re-branding. By virtue of its tenure, a long-term executive team can unwittingly stymie such efforts. But once it understands “fresh” means more today than the state of the produce, the re-branding process can begin. It’s a daunting task, but chains that don’t deliver on experience will soon fail to deliver on the profits. ☹

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