

# Clear social-media policies protect franchised brands

BY BROOKE HOVEY

**S**ocial media continues to excite, empower and terrify those in the restaurant industry — all at the same time. The reality is that restaurants no longer have the option to sit on the sidelines. Social media has forever changed the way restaurant guests find and share information, and savvy brands are developing strategies to embrace it.

Companies that are new to social media often prefer to take a more centralized approach to programs initially — planning and executing at the corporate/brand level. This offers a semblance of control in a space that's defined, in part, by relinquishing control.

Franchise restaurant organizations, however, face a unique challenge. How do you tell a franchisee — a business owner who has invested a significant amount of money into the franchise — that he can't use every tool at his disposal to build his business locally? And if you turn franchisees loose, how do you maintain brand consistency in both presentation and online customer engagement?

There's a case to be made for empowering franchise owners to promote their individual restaurant locations through social media. These individuals and their employees have roots and connections in their communities, and, as such, are

much closer to their guests as well as to the personality and culture of the neighborhood or city. With the proper guidance, social media can help a franchisee develop deeper and more personal relationships that drive a positive business outcome. Without proper guidance and planning, however, social media efforts may become fragmented, ineffective and could even reflect poorly on the brand.

Indeed, governance of social media programs, including proper resourcing, training and employee policies, is critical. Following are a few guiding principles for franchise organizations that want to leverage social media on a national and local level.

**Develop a social-media strategy and plan.** Don't start with the channel or tool — “We need to be on Twitter!” Take a step back, listen to current online conversations about your brand, clearly articulate your social-media objectives and then develop a strategy and plan to achieve them. Think about how centralized or decentralized your programs need to be. Who are the best people to engage in online conversations on behalf of the company — all employees, or a designated group? What should the brand team “own?” What should the company expect of franchisees? Every company is different, and the answers to these ques-

tions often are driven by the company's objectives, size and culture.

**Create and enforce policies.** Regardless of a company's strategy, it's critical to articulate a clear policy that guides employees' participation in social media. What can employees do, say and post in blogs, forums and social networks? How should they identify themselves when talking about the company? Who is authorized to speak on behalf of the company? Often, companies will create two sets of policies: One for the core team engaging in social media on behalf of the company, and another for all employees. As we've all seen, a video that an employee films with his camera phone in the back of the restaurant can make its way around the blogosphere to millions of viewers in minutes. For this reason, clear policies are essential.

**Don't mandate franchisees' participation in social media.** Companies should never require that franchisees launch a blog, create a Facebook page or start tweeting. If they're not interested, don't have the time or don't have the right skill set, the effort is likely to reflect poorly on the brand. The risk is a multitude of stagnant Facebook pages with inconsistent design,

no fresh content, and no plan for comment moderation and consumer engagement.

**Empower motivated franchisees to participate** if they make a commitment and follow established guidelines. For example, if a franchisee wants to create a Facebook page for his local restaurant, it's fair to ask that he create a plan that supports the broader corporate strategy, commit to a minimum number of content updates per week and designate an employee to moderate and respond to comments on the wall.

Also, some brands are taking this a step further by offering a customizable design template, a page/profile naming structure for consistency — e.g., @brandXchicago, @brandXdallas — and content suggestions. As long as

**It's undeniable that restaurants have much to gain by joining the online conversation by forming social-media plans.**

franchisees operate within set guidelines, they have autonomy to make the effort their own by communicating in their own voice or localizing the content. The brand team can offer training and facilitate idea sharing through a regular franchisee social-media call or online discussion forum. Another best practice is to connect individual location initiatives to a central brand community. Whole Foods Market does a nice job of this through the “Favorite Pages” section of its Facebook page.

Create opportunities for franchisees to participate in corporate social-media programs. For example, you might invite franchisees to promote local events and share photos through a central brand page on Facebook, or to periodically contribute to a company blog. This requires less of an ongoing commitment. And franchisees also have the benefit of maximum visibility since the company is dedicating resources to drive traffic and attract fans/followers to that central brand community. For example, Dunkin' Donuts has more than 960,000 fans on Facebook, and individual stores can post their events on that page. That's a lot more eyeballs than an individual store page could easily reach on its own.

The degree to which franchise organizations centralize or decentralize their social-media programs is an individual decision. However, it's undeniable that restaurants have a tremendous amount to gain by joining the online conversation. Just remember to listen first, develop a strategy and ground rules, and then empower your most motivated and passionate brand evangelists to engage online. It's a recipe for success. ■

*Brooke Hovey is senior vice president, Cohn & Wolfe Digital Media and market leader for global public-relations agency Cohn & Wolfe Austin in Austin, Texas.*

# Are you ready to license your brand for retail sales?

BY JANNA MARKLE

**B**y now, most major restaurant brand owners are considering licensing or have licensed their brand into retail grocery. Extending a restaurant brand can provide the owner with significant incremental revenue to the bottom line. Often, this revenue is equivalent to 10 to 30 units' operating profit without the capital expense risk. As restaurants contemplate licensing as a platform for growth, there are some considerations and questions

that typically arise.

**1. Will it cannibalize my restaurant sales?** This is the No. 1 concern for most restaurants. Through extensive experience, research and in working with major restaurant clients to extend their brands, we have found that cannibalization of sales has not been a factor. Even Howard Schultz, chief executive of Starbucks, recently noted that, despite initial fears, neither Via instant coffee nor Seattle's Best have cannibalized coffeehouse sales. Instead,

the products have created “new occasions.” In a practical sense, it is a different eating/buying occasion. Consumers have very different reasons to eat out versus eating at home. So why not capture these new occasions too?

**2. What products should we take to retail?** Develop your strategy first. It is important to identify the key equities of your brand and the things consumers perceive as your strengths to develop the best product-licensing strategy.

- What does your brand stand

for? Are you known for wings, great barbecue or indulgent desserts? Consider the value of your brand to drive consumer purchases at retail. We have found some premium restaurant brands can provide three times the market potential when compared with a control test against an unknown/new brand in a category.

- What is your price perception? It is difficult to extend a value-priced brand into retail grocery where products potentially could be priced higher than at your restaurant. A brand has to

be able to command a premium price over other products on the shelf to be successful and cover licensing fees.

- How will you position your brand on-shelf against competitors? You have to consider the well-known brands in the category — with a lot of money behind them to support marketing and promotions — and the private-label products. You also have to consider what grocers are trying to achieve with them — premium product at value price with high margins.

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