

## **Driving Costs Down Without Affecting Your Brand**

A few years ago, I came across a rapidly expanding fast casual chain who had gone through a great exercise. As they had grown, they had incorporated more and more logo products into the disposables that would leave the restaurant with their customers. They had their logos featured on tin foil sandwich wrap for the sandwiches, napkins, cutlery kits, to go bags, cups and more.

When the recession hit and they found themselves struggling to make their profit margin, they decided to take a really hard look at this area and determine what these logo'd items were truly costing them. More importantly... which were the items that their customers associated with their restaurants? What was it that left a lasting impression of their brand?

Generally, a good rule of thumb is that it can cost somewhere in the neighborhood of 5 to 10% more to add your logo to a disposable item. Add to that the manufacturing minimum runs necessary (which can add carrying/inventory costs) and plate charges. Consider taking a good look at all of the logo'd items your restaurant has in the mix and ask your distributor to run a tracking report totaling purchases for each one for the previous quarter.

The next step is to ask some of your good customers, along with family and friends, to help provide some insight. Ask them if they can recall which items have your logo. If they were to see those out in public would they know it came from your restaurant?

The fast casual chain I mentioned above found that their customers remembered their colored cups and would see them all over town, as well as their to go bags. They were able to work through this exercise to find out what had the most meaning for their customers and the branding of their concept and effectively reduce unnecessary costs. Consider taking a look at your logo products this summer and you may be surprised at the savings opportunities you find!

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