



Ideas & Trends for the Quick-Service Restaurant



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Popeyes: Improving the experience

by [Christa Hoyland](#) * • 03 May 2010

Every quick-service executive knows focusing on the guest experience is important. Popeyes Louisiana Kitchen learned just how important as it learned from customer input and turned the company's sales around. That was no small feat, especially during a recession.

Most companies who started 2009 with negative comps ended the year with bleaker sales. But Popeyes improved from global comps being down 1.7 percent to up 0.7 percent. U.S. comps improved from being down 2.2 percent to up 0.6 percent.



Cheryl Bachelder, CEO of AFC Enterprises, Popeyes' parent company, said the come took a purposeful approach to improving operations and ultimately sales and market share.

"We decided that we wanted to come out of the recession a stronger company with a stronger market position," she said. "So when many cut back and retrenched, we invested and grew."

Popeyes is proud of its core product — crunchy, flavorful, bone-in fried chicken — but its service often failed to live up to that same outstanding level. The company developed a new mantra: service as distinctive as the food. Then, it followed with the implementation of several tools to improve operations and the customer experience, honing in on speed of service.

Measurement tools spark improvements

To improve the guest experience and ultimately store performance, Popeyes began by measuring the customer experience, Popeyes implemented a CRM tool the company refers to as GEM, for guest experience monitor. As the company began sharing the GEM scores with store managers, operations quickly improved.

"All restaurants want to do well for their guests, and when we gave them that feedback on how their guests experienced their restaurants in the past week, they immediately made changes to make the restaurants better," Bachelder said.

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By the end of 2009, the system's GEM scores for guests saying they were "delighted" with their experience had moved up 17 percentage points from the beginning of the year. And 70 percent of guests rated their experience a 5 out of 5.

Popeyes also implemented several measurement tools to improve operations, including back of house reviews to provide consistent assessments and training for its managers. Metric-moving score cards grade and rank stores based on their GEM scores as well as sales performance, training, profitability and other factors. Those score cards not only gave the company a way to measure its restaurants, it also resulted in competition among operators since the company recognizes its top performing franchisees and managers.

"So those (elements) combined have made running restaurants very measurable for us, and the competition has been healthy among our franchisees to get better and better," Bachelidor said.

Focus on speed of service

With fried bone-in chicken its primary product, Popeyes doesn't have any way to speed up the cooking process. But the company did realize there are several factors it could control in improving its through-put.

To address its speed of service issues, Popeyes enforced its drive-thru and kitchen equipment standards in 2009, something it had been lax on. Fewer than 50 percent of operators had drive-thru headsets at the start of the year. Now more than 90 percent are in compliance. Operators also installed drive-thru timers and up-to-date food prep and holding equipment in the kitchen.

Ralph Bower, Popeyes chief operating officer, said it was a tough call to ask franchisees to invest in equipment during the recession.

"2009 really was not the greatest year to enforce equipment standards, but what we believe it was actually the perfect year because those are the things you need to do to drive great sales," he said. "And we feel like getting the right equipment at the restaurants was one of those things that made a difference."

As stores began implementing the new equipment, guest metrics and same-store sales improved, especially in the second half of the year when most QSRs were having some of their toughest quarters.

Aziz Hashim is president and CEO of a multi-brand franchisee group that took over the nine company-owned Popeyes stores in Atlanta in June 2009. He said the company's new focus on operations impressed his group, and he is happy to have the measurement tools.

Hashim said he is looking forward to the company's new metrics on drive-thru speed of service sparking more healthy competition and improvements among operators.

He knows first hand that incentive-

Marketing strategy pays off

Popeyes marketing strategy for 2009 also paid off. The company invested in a national media program for the first time and developed new messaging.

based performance programs work. He uses the company score cards for an incentive program for his employees, and their focus on improving store metrics helped him become one of the company's top three franchisees in less than a year.

"(Having that data and feedback) is a crucial element," he said. "That was a big step in the right direction because we were not the fastest brand out there, and we need to get better in that area. There's an unmistakable correlation between speed of service and sales."

Moving forward, Popeyes wants to improve its speed of service times even more by adding production management equipment. With the proper technology, operators can reduce waste and have more product ready at peak times. Investments in that technology won't come until at least 2011 because the company has promised franchisees it is not add any capital investments this year.

Mike Wittenstein, a consultant focusing on retail customer experience, said Popeyes move to focus on the guest experience was game changing for several reasons. First, customers will choose the brand with the better guest experience over their competitors — and then they'll tell their friends about it. And just as Popeyes learned, a focus on the experience usually results in a focus on operational effectiveness, from quality to training.

"It's important to remember that many guests pick where to go for any meal based on factors beyond quality of food, taste and presentation," he said. "They're interested in how a visit will fit into their day, please their family or colleagues, and how the cost will affect their budget.

"Guests pick a restaurant on the total experience offered. How people feel about their visit is as important as what they think about what they've eaten.

Headquarters: Atlanta

Parent company: AFC Enterprises Inc.

Stores: 1,943, including more than 1,500 U.S. stores and 367 international locations in 27 foreign countries and two territories. The company recently completed its refranchising efforts and now has 37 company-operated units in New Orleans with no plans to further refranchise. New international markets include Malaysia and Egypt.

Sales fiscal year 2009: \$57.4 million

Menu: Bone-in fried chicken plus chicken tenders, nuggets, sandwiches and wraps as well as bowl meals, crawfish and shrimp.

Recent innovations: The Tackle Box, which focuses on the chain's portable menu items and has helped boost lunch traffic. Rebranded to Popeye's Louisiana Kitchen, with schedule for re-imaging to be announced.

QSR brand rivals: KFC, Church's Chicken, Bojangles', Grandy's, Chick-fil-A

Moving to national media meant half of the store's restaurants got TV exposure for the first time, an important positive impact. At the same time, Popeyes launched a new spokesperson, a straight-talking crewmember known as Annie the Chicken Queen, to tell its story. Through Annie, Popeyes emphasizes the heritage, flavor and value of its fried chicken, a message that apparently resonates with consumers.

"We moved light years ahead on our marketing last year," said Popeyes chief operating officer Ralph Bower.

Bower said the new messaging is necessary to draw disenfranchised customers back into stores, where the chain's improved service model will keep them coming back.

Bower said it's difficult to quantify the impact of the national media buy, but he believes it had a greater impact on increasing customer traffic than the equipment investments.

"You can't put a price on having everybody in the country doing exactly the same thing at the same time," he said. "Those synergies really made a big difference."

Gary Stibel, founder and CEO of marketing consultants New England Consulting Group, said that the national media exposure was important, but the brand's messaging was more significant.

"What they've done brilliantly is they have positioned themselves as the best tasting fried chicken in the land," he said. "Rather than avoiding their Southern heritage, they now call themselves Louisiana Kitchen. They now promote the fact that they're Southern. And they don't hide the fact that they're fried."

Having a strong team led by Bachelder also helps.

"They do what they do best, and they do it better all the time," Stibel said.

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