Dig Insights | Panera BREAD®

# How Panera Bread Is Using Principles of R.E.D. Marketing to Rethink Marketing Strategy

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## Presenter



## Rory McGee

Vice President
Dig Insights

Dig Insights was founded in **2010** by four senior insights professionals. We offer global consulting and technology to help you manage the innovation lifecycle.

We've grown to a team of **more than 200** research consultants, strategists, data scientists, and developers.

We have offices in **Toronto, CA;**
**Chicago, US; and London, UK.**

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# Panera Bread

Panera Bread was founded in **1987** and now has over **2,000 locations** across the United States.

It offers a wide array of **pastries** and **baked goods** that are baked fresh on-site.

For dine-in or takeout, Panera offers **sandwiches**, **soups**, **salads**, flatbread pizzas, grain bowls, Mac & Cheese and **You Pick 2** provides the option to combine some into one order.

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### Tiffany Harrison

VP, Insights & Analytics

Panera Bread

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# Changing Market Landscape led Panera to ask some questions

# And Dig has been updating its thinking

The **post COVID** world changed:

- Category usage occasions
- Inflation
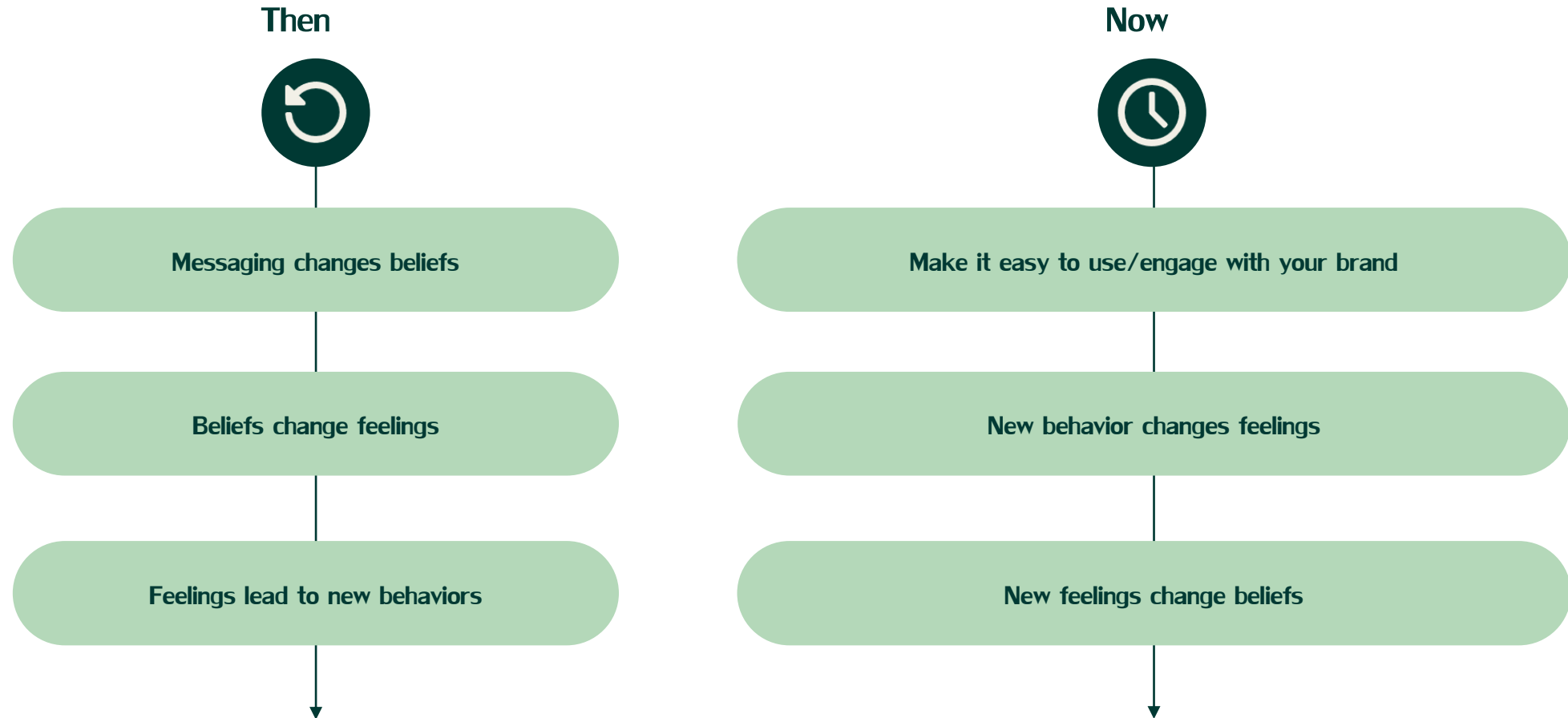- Adoption of loyalty programs
- Greater technological capabilities

Thought leaders are questioning the relationship between attitudes and behaviors
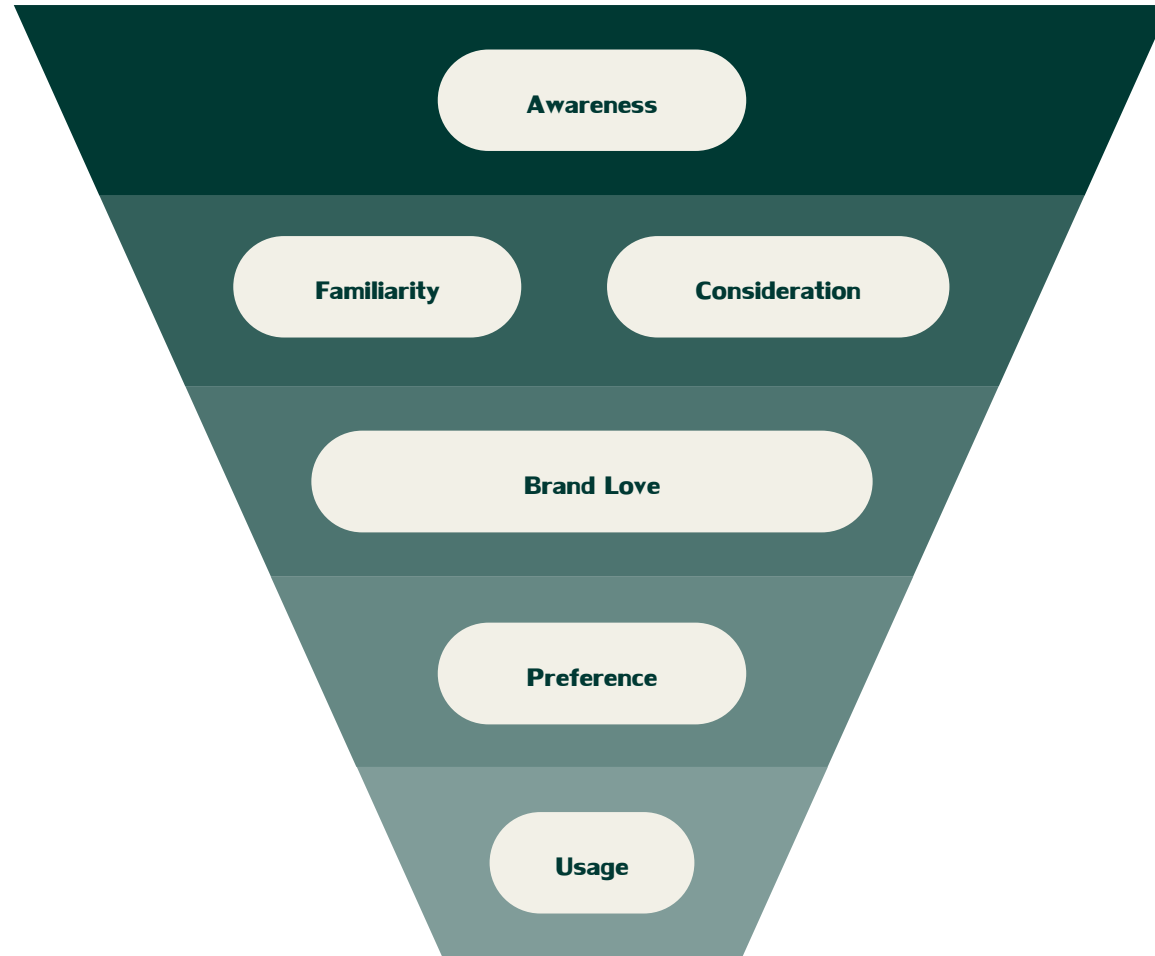
Changing consumer behavior led to questions about the **brand funnel**: which metrics matter to driving visits (on premise and off premise)

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# New understanding of consumer psychology has turned brand health measurement on its head

**Then**

Messaging changes beliefs

Beliefs change feelings

Feelings lead to new behaviors

**Now**

Make it easy to use/engage with your brand

New behavior changes feelings

New feelings change beliefs

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# The traditional brand funnel

Awareness

Familiarity

Consideration

Brand Love

Preference

Usage

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# What is R.E.D. Marketing?

## Relevance

Is your brand relevant to the marketplace?

## Ease

Is your brand easy to access and use?

## Distinction

Does your brand stand out from competition?

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# Approach to marketing with R.E.D.'s principles

Building Emotional Connection

Category Usage Occasions

Differentiation

Distinctiveness

+

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# What does this have to do with Dig Insights?

## Our approach

- No assumptions made about relationships across variables
- Causation instead of correlation
- Use Bayesian to test hypotheses

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# What is a Bayesian network, and why is it useful when it comes to brand marketing?

**A causal machine learning model**

- Traditionally, correlation =/ causation, but Bayesian Networks combines Bayes' Theorem and conditional probabilities to determine network of causal effects

- With Bayesian Networks, we don't tell the model what variables are "causes" or "effects." The model learns those from the data
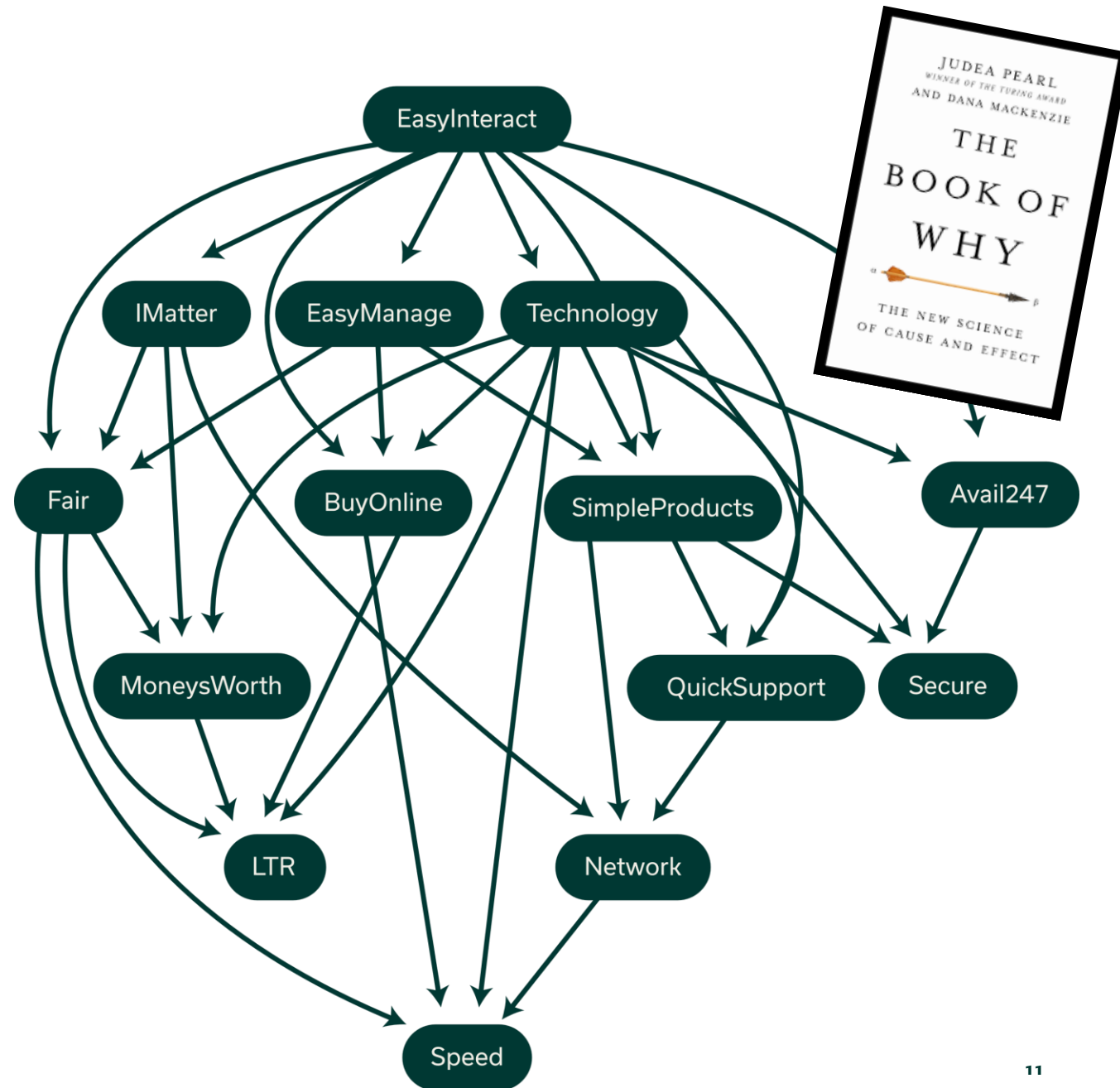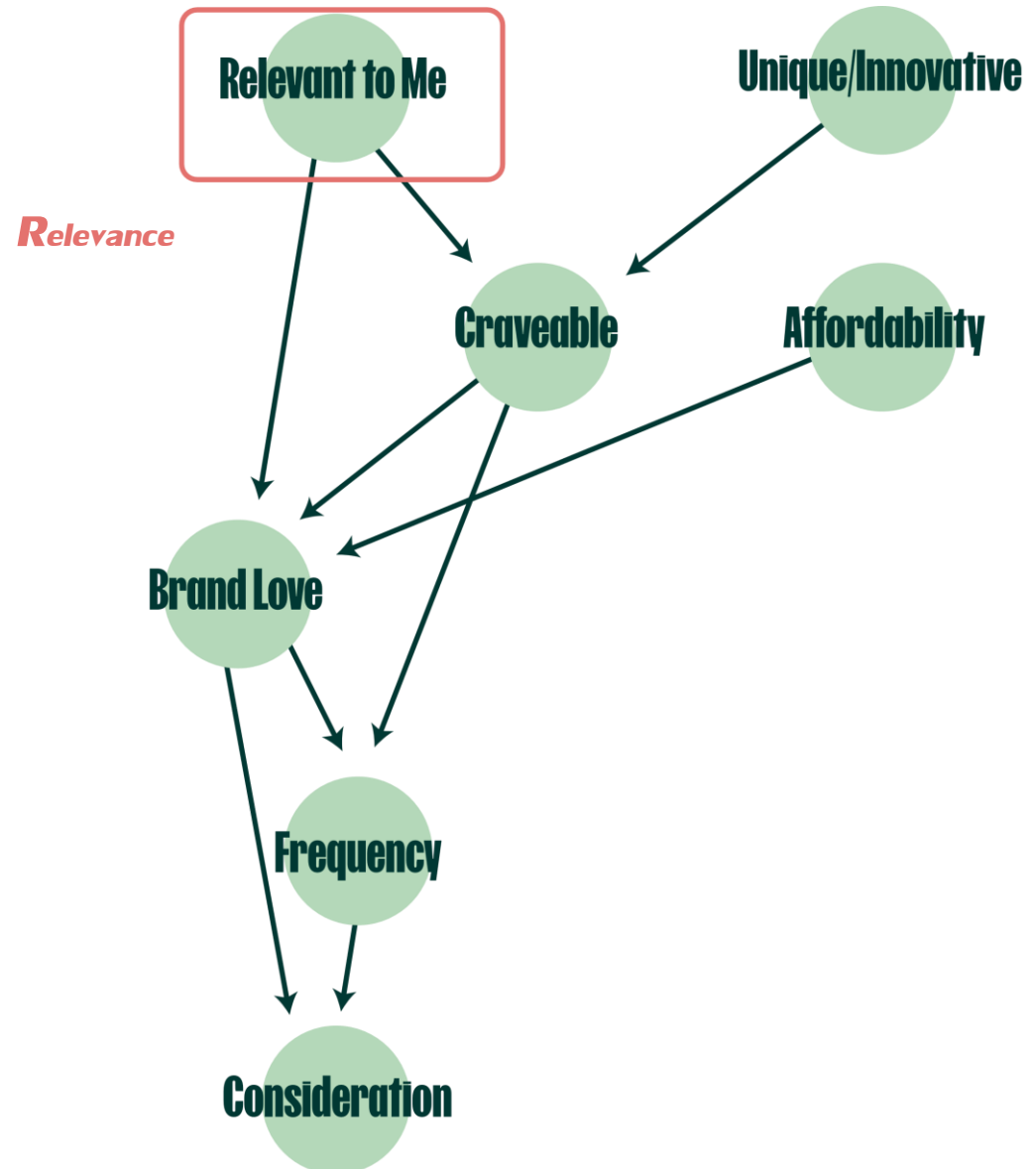
# Understanding causal relationships to build the brand funnel
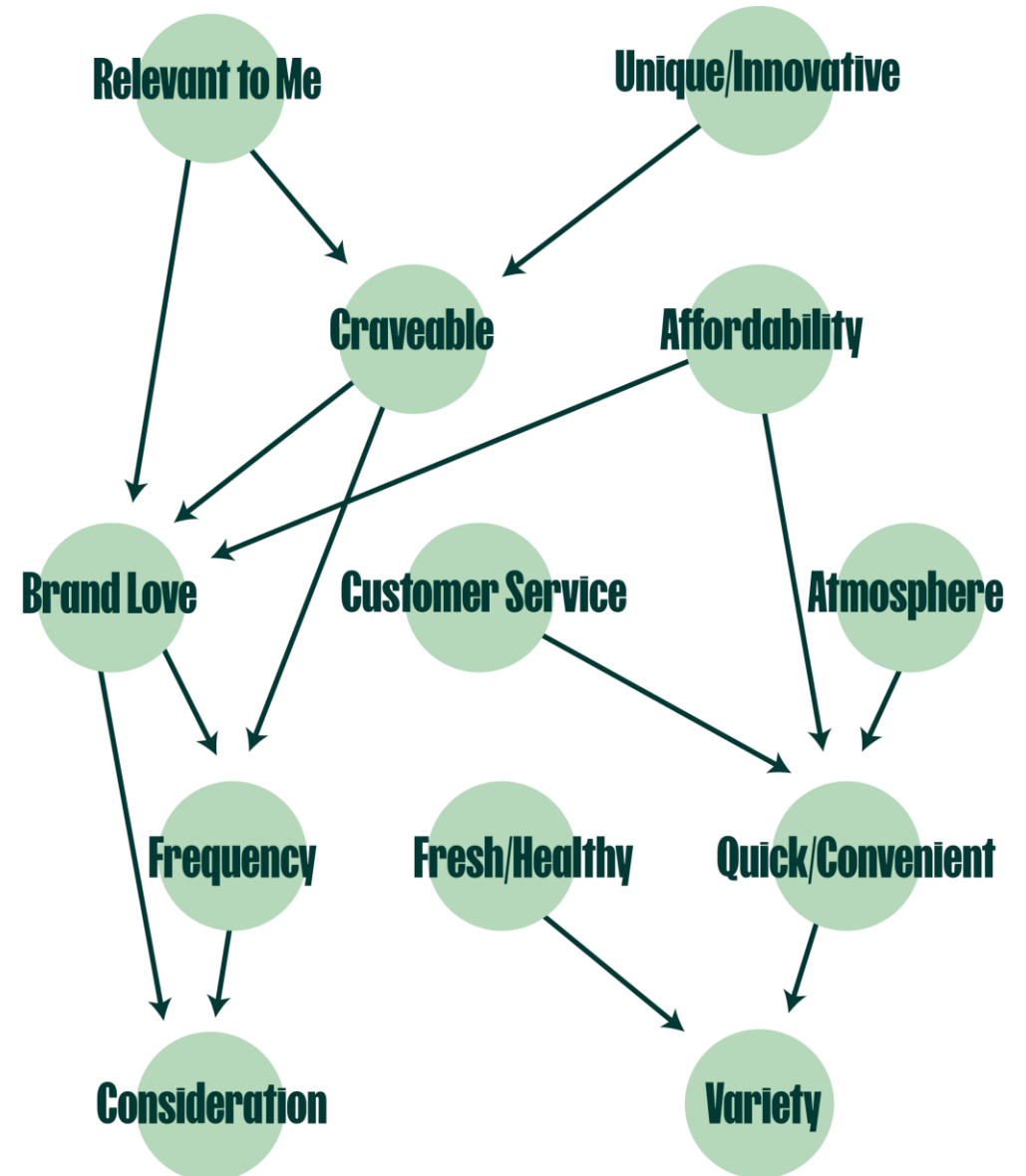
*Map derived from data across 15 QSR brands*

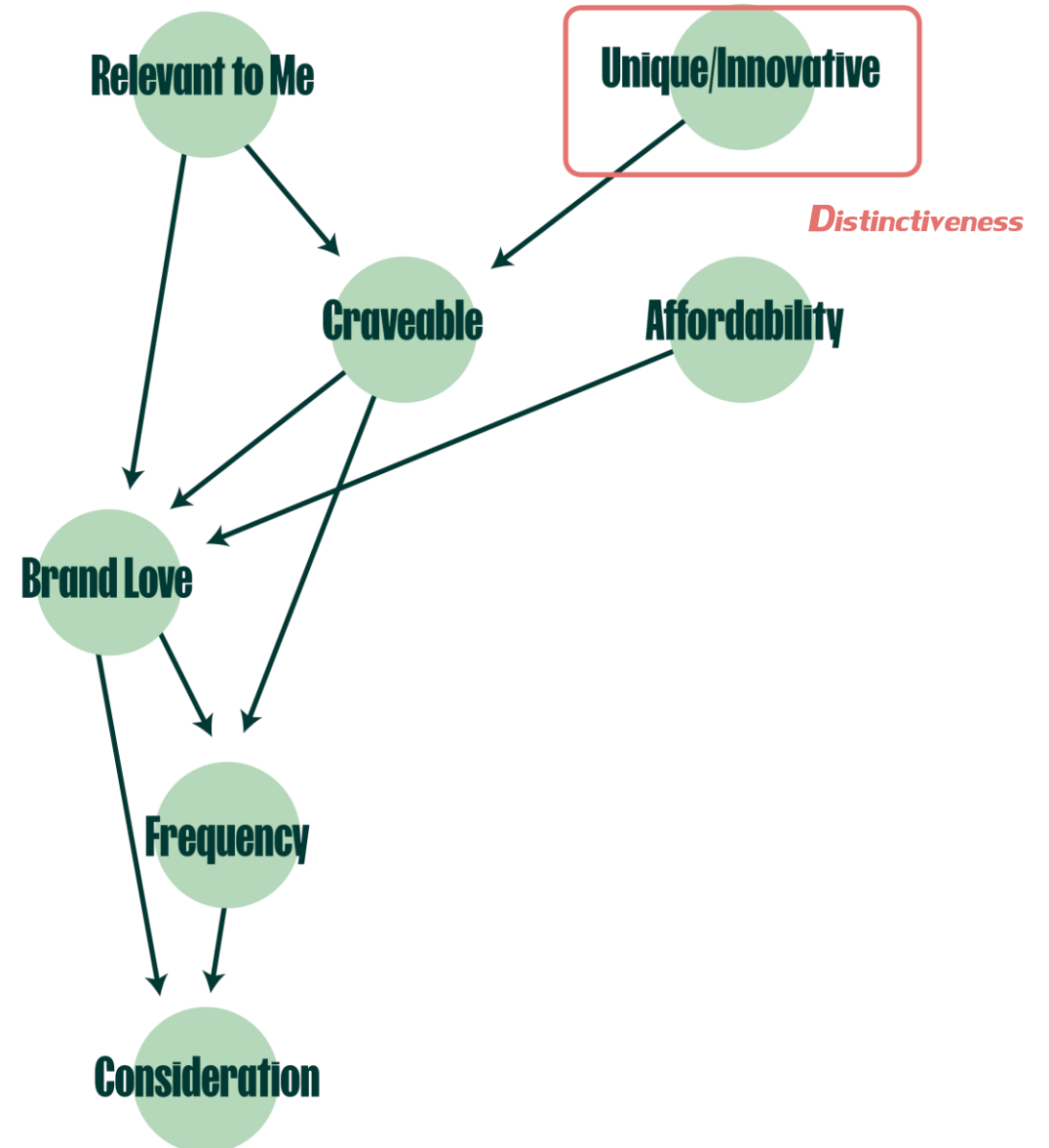# Understanding causal relationships to build the brand funnel

- **Relevance is crucial**

*Map derived from data across 15 QSR brands*

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# Understanding causal relationships to build the brand funnel
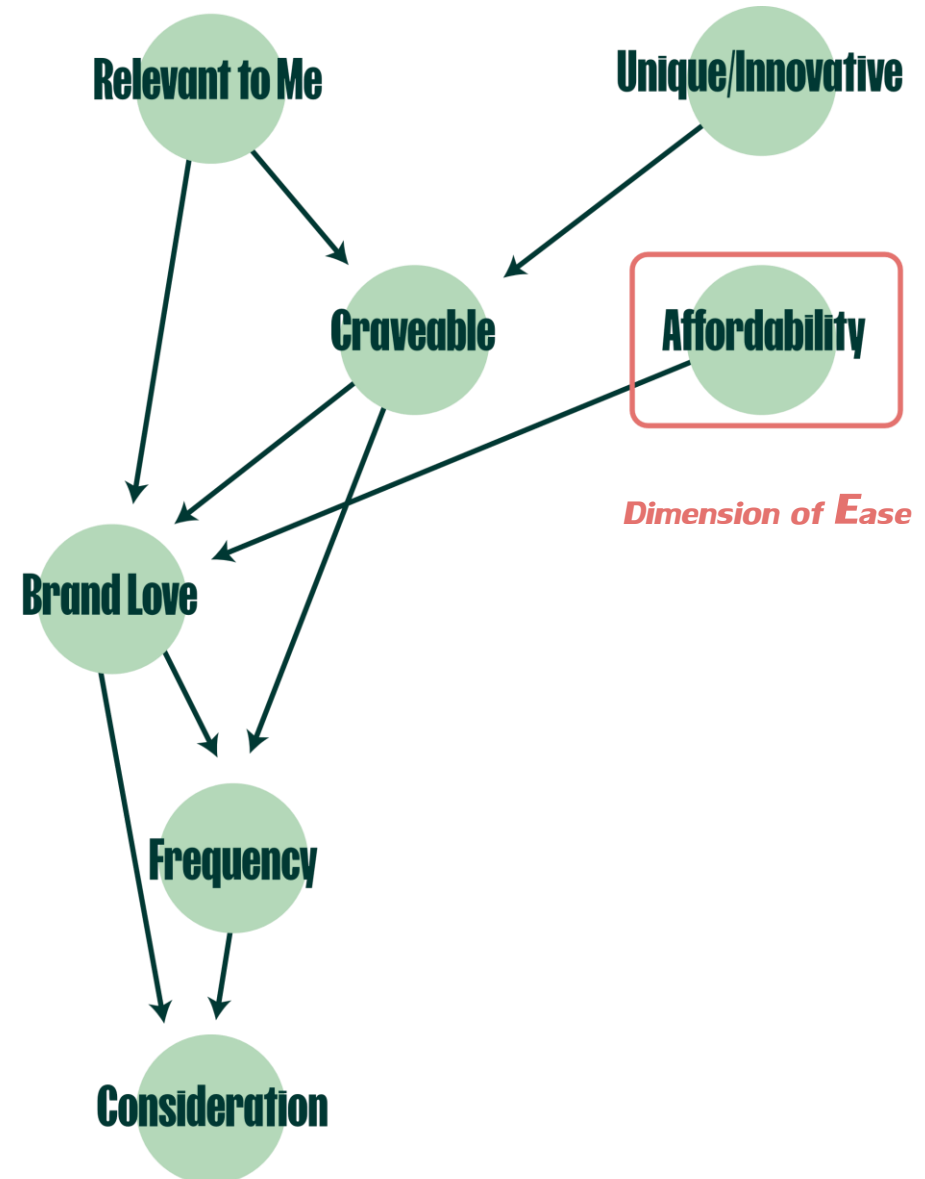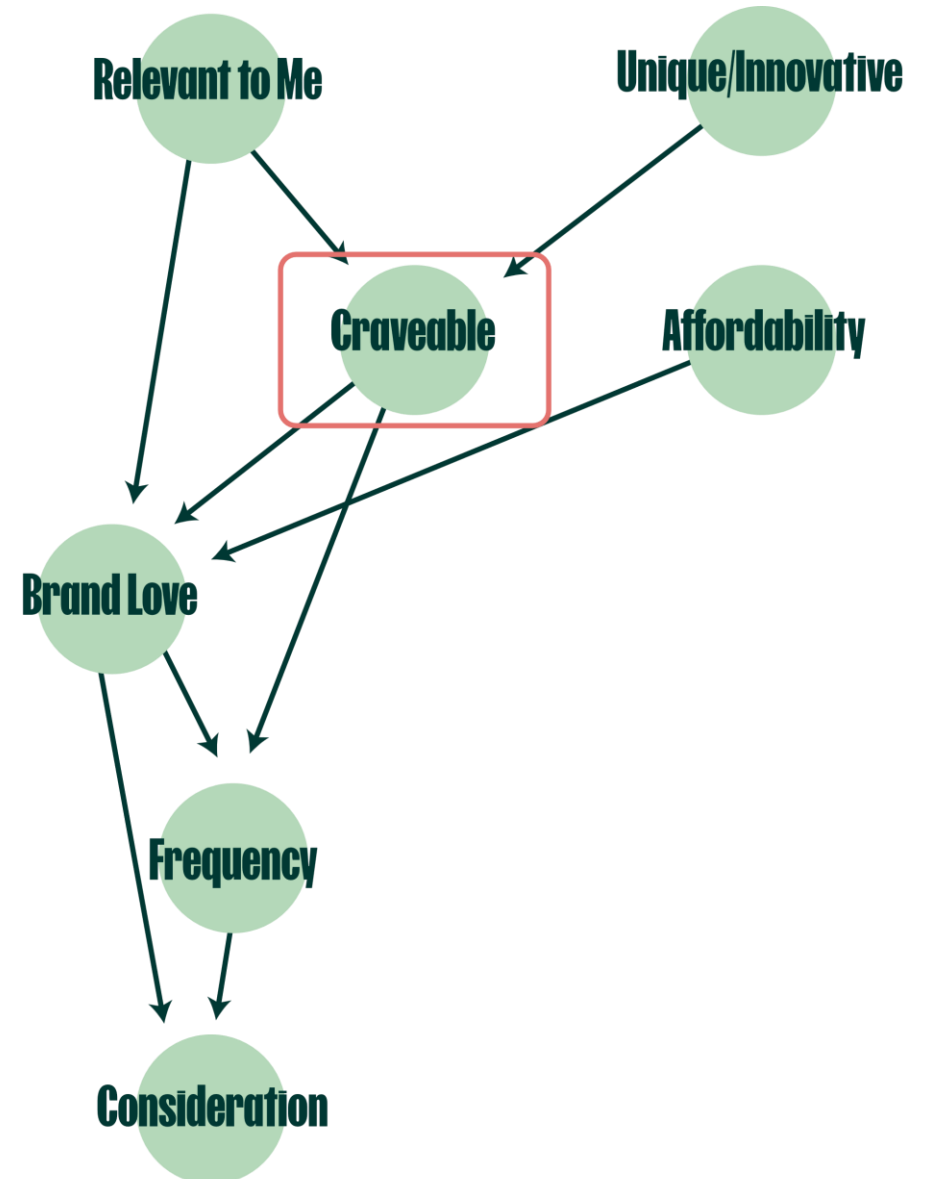
- **Unique/innovative = distinct**

*Map derived from data across 15 QSR brands*



**Relevant to Me**

**Unique/Innovative**

*Distinctiveness*

**Craveable**

**Affordability**

**Brand Love**

**Frequency**

**Consideration**

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# Understanding causal relationships to build the brand funnel

- **Affordability is a dimension of ease**

*Map derived from data across 15 QSR brands*



Relevant to Me

Unique/Innovative

Craveable

Affordability

*Dimension of Ease*

Brand Love

Frequency

Consideration

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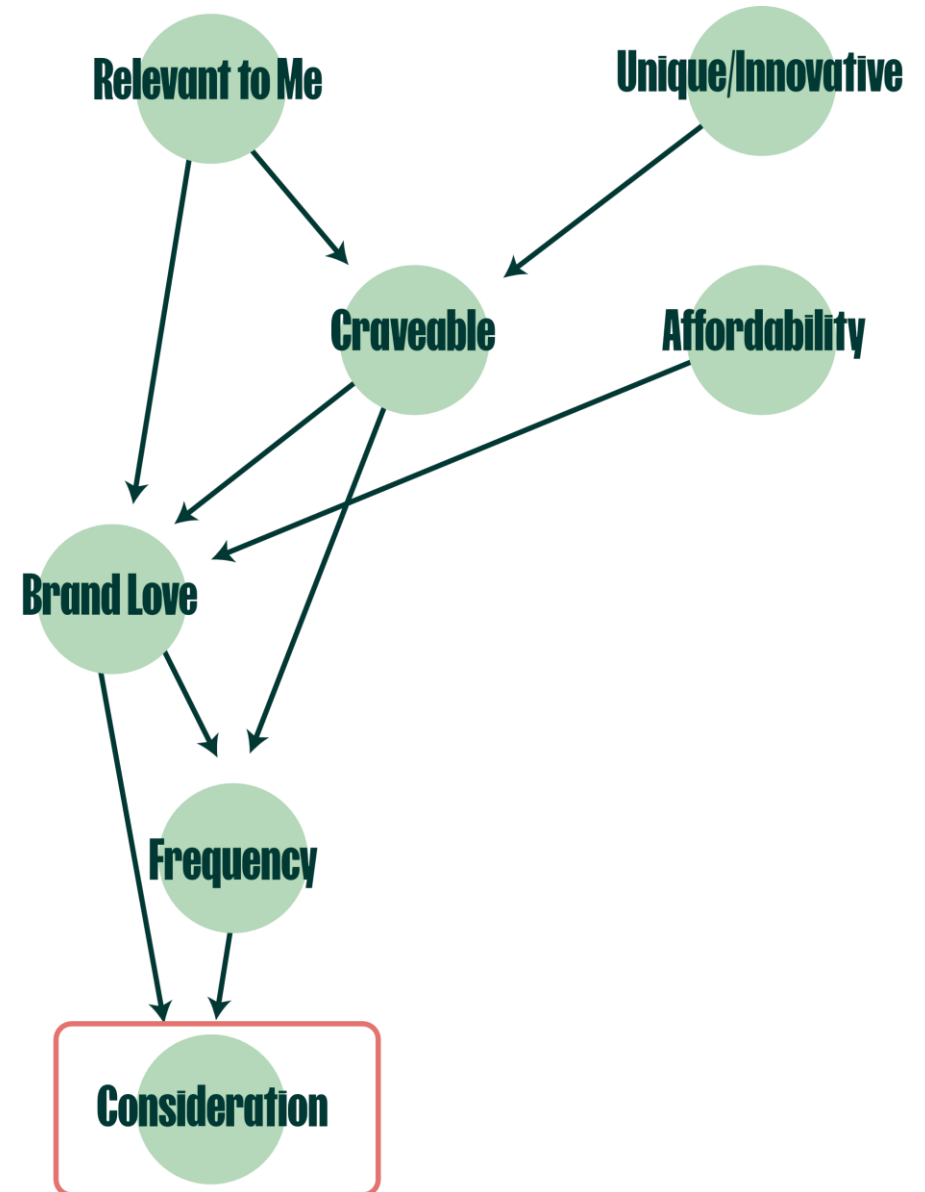# Understanding causal relationships to build the brand funnel

- Craveability is key in the QSR space
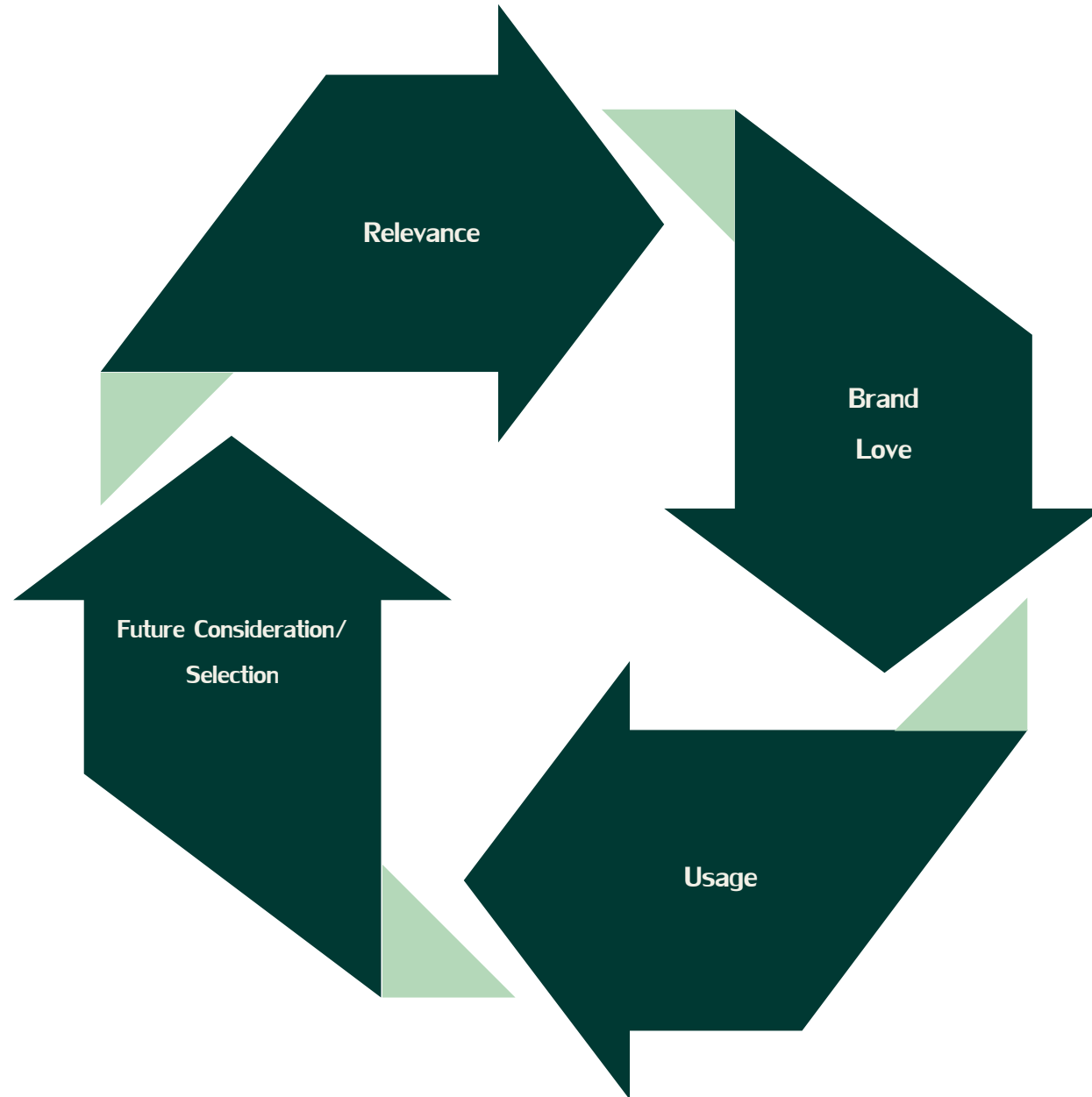
*Map derived from data across 15 QSR brands*



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# Understanding causal relationships to build the brand funnel

- **Consideration is an outcome**

*Map derived from data across 15 QSR brands*

# Brand Funnel/
# Loop Reimagined



Relevance

Brand Love

Usage

Future Consideration/ Selection

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# Strategic actions: relevance, ease, distinctiveness

# In Conclusion

**1**    Bayesian Networks allows for open-ended exploration of variables

**2**    Hypothesis testing of different frameworks

**3**    Strategic exploration of the construction of the brand funnel

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# Where to find us

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