



A Restaurant Marketer's Guide to Targeting the Rural Consumer





Introduction

As you create a restaurant marketing strategy amid an ever-evolving landscape, responding to consumer behavior shifts can help you create a sustainable plan to drive traffic and acquire new customers for restaurants of all types, from quick serve restaurants (QSR) to fast casual to casual dining.

As consumers demand more value for their money, restaurants must adapt their strategies to compete. This Guide is designed to share the knowledge we've built over the last 35 years of serving our clients to help you capture greater market share and reach your marketing goals.





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01. Rural Restaurant Customers

are Hungry for Value in Response to Price Increases

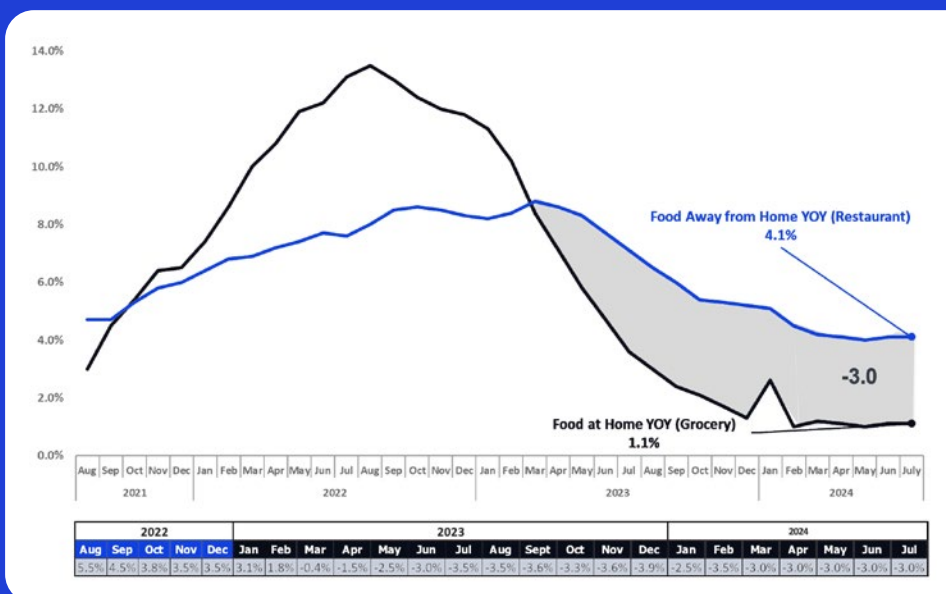
In rural markets across America, 62% of consumers have noticed price increases in dining out¹ over the past year. In response to price increases, 28% of these consumers are using coupons more, and 20% are doing more comparative shopping with advertising inserts¹.

Inflation finally slows for the first time in two years.

Restaurants' inflation advantage over groceries has reduced as the gap continues to expand to groceries' advantage. When the gap widens and restaurant inflation is lower, restaurants typically see a rise in sales when the manager of the household budget determines "It is cheaper to eat out!" **As of August 2024, the gap is -3.0% in favor of grocery. August 2024 marked the 18th straight month where grocery inflation had an advantage.**² It becomes imperative for restaurants to offer value to acquire new customers and keep loyal customers for the long term.

Restaurant advantage reduced.

For 18 months, grocery inflation has maintained an advantage over restaurants.²



Your window of opportunity may have closed.

- Lower Inflation influences the "Do I Dine At Home or Dine Out?" decision
- Restaurant Consumers are experiencing 'sticker-shock'

Consumer discretionary spending is down as ritual household expenditures such as utilities, dining out and groceries face strong upward pressure.

Customers are trading brand preference and loyalty for greatest perceived value.

DID YOU KNOW?

50%

of consumers surveyed said rising prices are causing them to be less brand loyal.¹

Prosper August 2024

35%

of restaurant customers are influenced by coupons and offers received in the mail.³

Even with higher inflation and slower return to normal, restaurants can continue to win at the cash register by offering their diners more value for their dollars. Brands that understand the new consumer value equation can create preference and steal share.

Balancing pricing is critical.

An inflation advantage typically translates to sales. Restaurants must watch the impact price increases have on top line sales and grocery prices dropping.

Restaurants can increase the chance of repeat visits as 46% of U.S. diners are members of a restaurant loyalty program³. The top drivers to join loyalty programs include discounts or coupons and the ability to earn free items.⁴

By analyzing data collected from loyalty programs, we can help you create tailored offers and incentives, such as personalized discounts or menu suggestions.

Restaurant or takeout customers respond to ads across a variety of advertising channels.

IN THE PAST 12 MONTHS:



61%

responded to ads/
offers in the mailbox.⁵



56%

responded to
streaming TV ads.⁵



52%

responded to a
pre-roll video ad.⁷



52%

responded to an
online ad.⁵

Mspark's targeting capabilities enable you to reach your most likely customers with offers that drive action, whether your goals are loyalty program signups, mobile app downloads, online orders, or store visits.

02. The Secret Ingredient

to Driving Traffic is Value

Inflation Declined, But Wage Growth Has Not Kept Pace, Reducing Discretionary Spending.

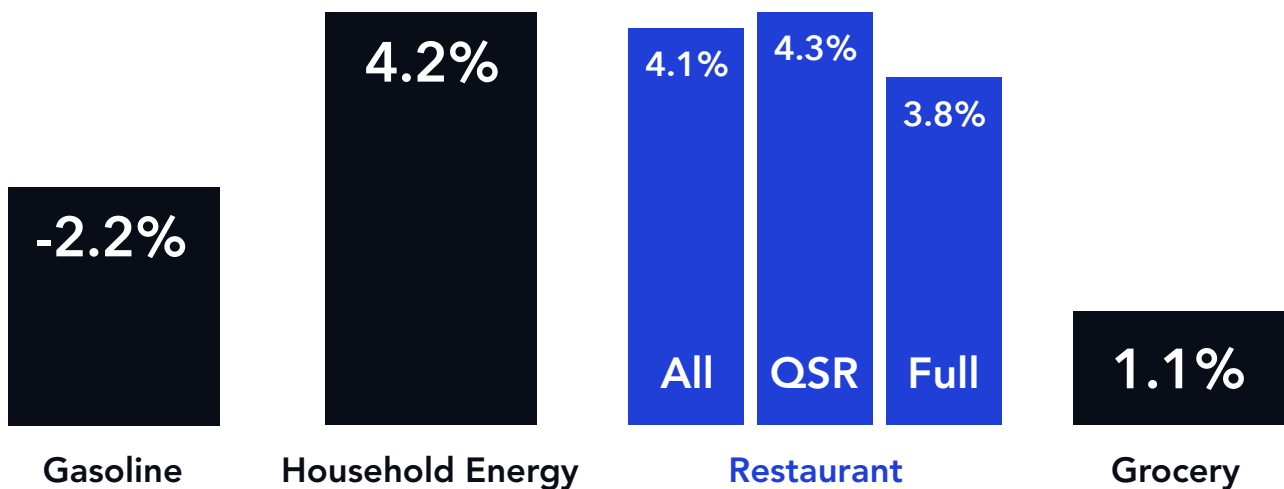
Competition for share of stomach has never been higher in restaurant marketing. Restaurants are competing not only with other restaurants, but with grocery and convenience stores. Value menus and deals are popping up across the landscape at 2009 price points.

Inflation decreased slightly to **2.9%**, and the consumer continues their struggle to balance their budget and **seek value when dining out**.

Consumer discretionary **spending is down** as ritual household expenditures such as utilities, dining out and groceries face strong upward pressure.

We are seeing the continue signs of **restaurant inflation fatigue**, with traffic down **18.4%** since 2019.¹

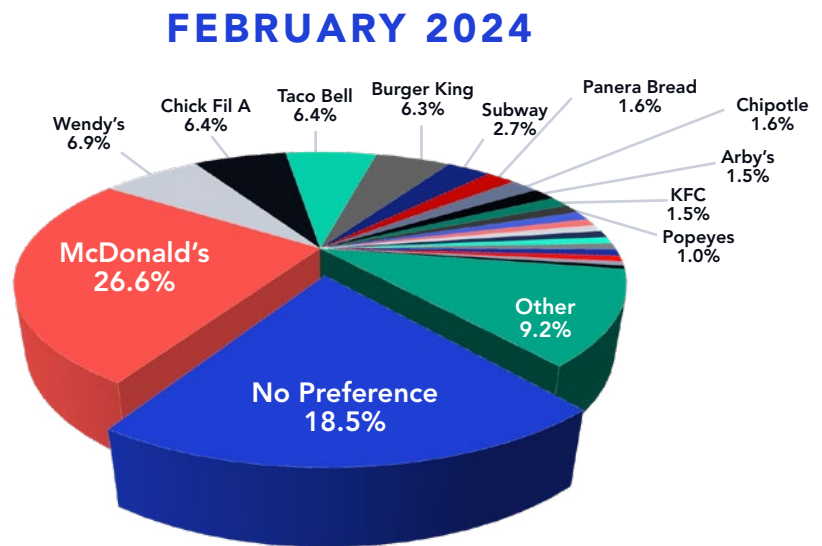
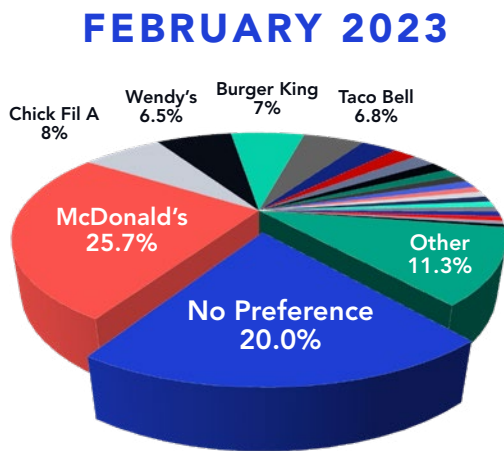
Source: Bureau of Labor Statistics, April 2024 CPI Report, May 2024 Release. 1 Revenue Management Solutions, February 2024



While inflation leveled off to 3.5% in March 2024, after reaching a peak of 9.1% in June 2022, wages have not caught up yet, and consumers remain unhappy with price increases. Consumers continue to prioritize value for their money above any single restaurant preference.¹

This creates a restaurant marketing opportunity for QSR and pizza brands to emphasize value in their campaigns to create preference among consumers and increase their share of loyal customers.

- McDonald's accounts for **27% of QSR/ Fast Casual consumer preference**²
- #2 consumer choice is 'No Preference' at **19%**²



Value is most important to consumers across all markets.

Customers consistently prioritize value, shopping menu prices for the best deal, a trend that started in 2020 and continued into 2024.³

How much do you agree or disagree with the following statements about value and prices at restaurants and other foodservice locations?

"I am seeking out restaurant deals and promotions more often now than I was two years ago."

IN 2021

33%

of consumers agreed or agreed completely

IN 2023

45%

of consumers agreed or agreed completely

BASE: 1,500 CONSUMERS 18+ PER REPORT

Thinking about menus, how much do you agree or disagree with the following statement?

"Value deals are becoming more important to me."

AGREE

38%

STRONGLY AGREE

26%

BASE: VARIES, TOTAL BASE = 1,000 CONSUMERS 18+

Value means more.

Value deals for dining out are increasingly important to 64% of consumers.³

CONSUMERS WHO AGREE OR STRONGLY AGREE WITH THE FOLLOWING STATEMENT:

“I pay close attention to menu prices so I can find the best value.”



Did you know?

- 55% of consumers visited a brand’s website after receiving direct mail.⁴
- 53% of consumers surveyed tried a new product, service, or establishment after receiving marketing mail; restaurants are tried most often.⁵
- Integrating digital ads with direct mail increases program performance as much as 28%, based on historical program performance.
- Engagement with direct mail is high across generations.⁴

PERCENTAGE OF EACH GENERATION WHO FEEL DIRECT MAIL IS USEFUL



Source: USPS Mail Moments, 2024

Mspark partners with you to identify consumers most likely to visit your restaurant and create a coordinated print + digital strategy that increases traffic and acquisition

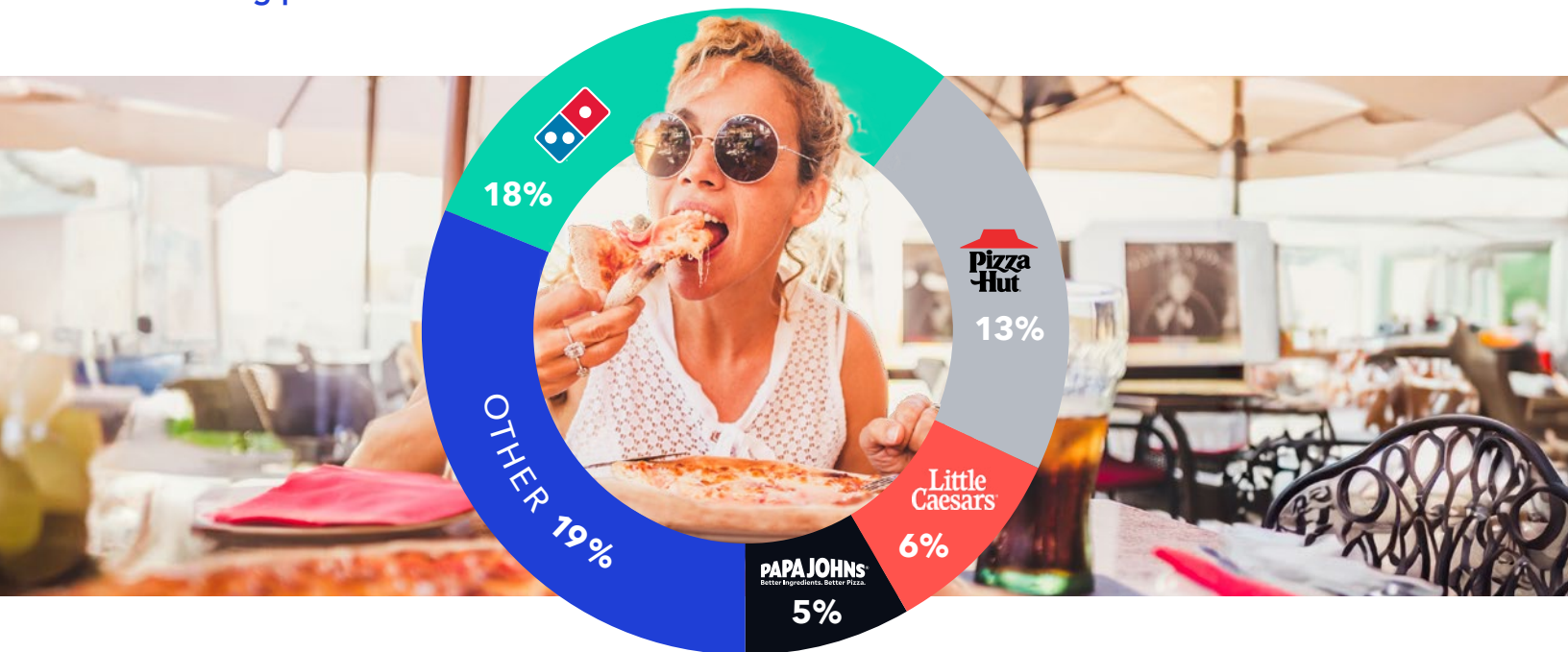
03. Pizza Restaurants:

The Competition for Customers is Fierce

Nearly 36% of consumers say they have no preference when choosing a pizza restaurant¹— a pizza marketing opportunity to create preference and win new customers who are looking to reduce spending. How can pizza marketers create preference?

It starts with value.

Consumers who have eaten at a pizza restaurant in the past 90 days chose the following pizza restaurants:



Shared mail is the secret ingredient that drives restaurant trial.

Engage value-seeking diners with a marketing strategy that prioritizes deals and offers that will prompt action. 68% of consumers who received advertising mail from restaurants tried a new restaurant over the past year².

Shared mail is a digital on-ramp.

53% of consumers who receive advertising mail report they visit the brand's website. This is particularly true among the important Gen Z group with 67% going online².

[Read our pizza and restaurant case studies](#) to see how other pizza brands have benefitted from integrated shared mail marketing solutions.

04. 13 Things to Know

About the Rural Consumer

A Rural Migration:

Consumers in small cities and towns and rural communities comprise over 20% of the U.S. population today, a growing rural marketing opportunity.

Did you know?

75% of consumers who plan to buy a house in the next year indicated they plan to purchase a home in the suburbs or a rural community, according to an August 2024 Prosper Insights & Analytics survey.

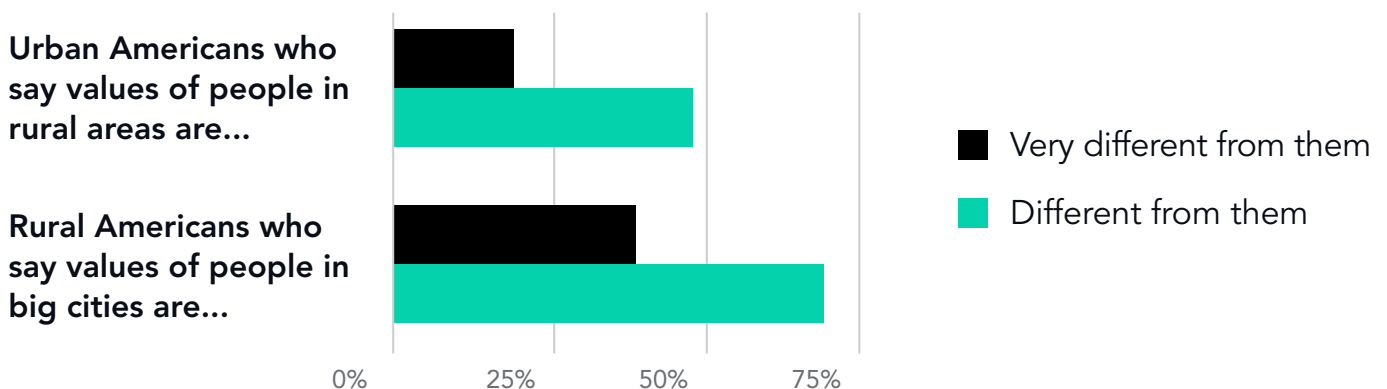
By 2025, these small yet lucrative markets are projected to represent over a quarter of all U.S. households and hold a disproportionate share of spending power across a broad range of retail categories.¹

The first step in engaging rural consumers is to acknowledge that their needs are not typically the same as general-market consumers, and the divide is felt more distinctly in rural areas, where consumers feel more separated and less understood by marketers.

Here are 14 things to keep in mind when planning your messaging to rural consumers:

01. Nearly **70% of rural Americans believe their values are different than urban Americans**, a distinction marketers should factor in when building a strategy to reach this valuable audience.²

DIFFERENCE OF OPINIONS





of Rural Americans feel their values are different than Urban Americans, compared to 48% of Urban Americans.

Source: The Washington Post²

02. **The rural value system is primarily built on relationships and community.** The way people relate to each other in rural communities is more personal, emotional, direct, and socially supportive, while urban social interactions are more impersonal and indirect.³

03. **Rural residents empower themselves to be independent** and appreciate the hard work that goes into what they make and buy.³

04. **Individualism** is important to rural consumers to survive in the larger economic & social environments.³

05. **Rural residents celebrate community and hometown traditions,** and they trust local communities more than mass media.³

06. Rural consumers are less digitally driven; **they are active online 11% less often** than urban residents on a daily basis.⁴

07. Despite a 9% increase in home broadband adoption since 2016, **rural residents are still less likely than those living in suburban areas to report having home broadband.**⁴ It is important for advertisers to understand the [differences in media access and online penetration](#) in these markets.

08. **Rural consumers respond to direct mail** due to its longer shelf life and the value it offers in-hand via the mailbox vs. digital downloads.

09. Economic fluctuations impact rural consumers differently. **Consumers in small and rural markets are impacted by inflation 9% more** than their urban counterparts, which affects their spending and shopping behavior.⁵

10. Rural consumers are **5% more likely than urban consumers to decrease their overall spending** as prices rise.⁵

11. These consumers in small markets are more price and budget conscious and hungry for deals and value, making them **21% more likely to use coupons than urban consumers.**⁵

12. **More than half of rural consumers surveyed said they shop online more often and compare prices online** to find better sales and deals.⁵

13. **Rural consumers are more likely to reduce driving and shopping trips to save on gasoline** and to plan their shopping and purchases ahead of time. The planned bundling of shopping trips increases the need for longer value and deal shelf life, which affects the message and the choice of media.⁵



Mspark delivers value to the rural consumers most likely to become your best customers.

If this audience is important to your business, we can help you reach them. Mspark specializes in driving brand growth and customer engagement strategies for national and local advertisers in these important markets. Reach out today to plan your strategy.

05. Activate New Restaurant Customers

with Direct Mail

In a world filled with digital clutter, there's something special about receiving a piece of direct mail.

60%

of consumers say direct mail has inspired them to take action, such as visiting a website or a physical store.¹

74%

of marketers say direct mail delivers the highest response, conversion rate, and ROI of any channel used.¹

What specific actions do consumers take when they respond to direct mail?



More than half visit the brand's website¹



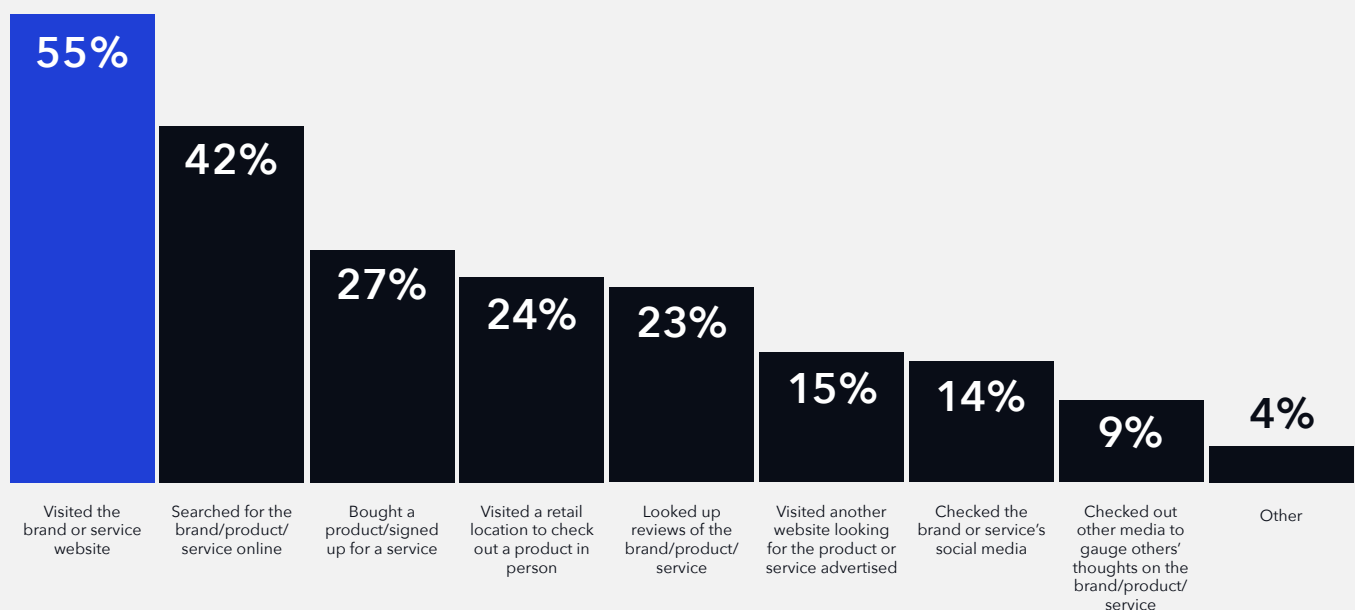
42% searched online for more information about the brand or product¹



27% purchased a product or service¹



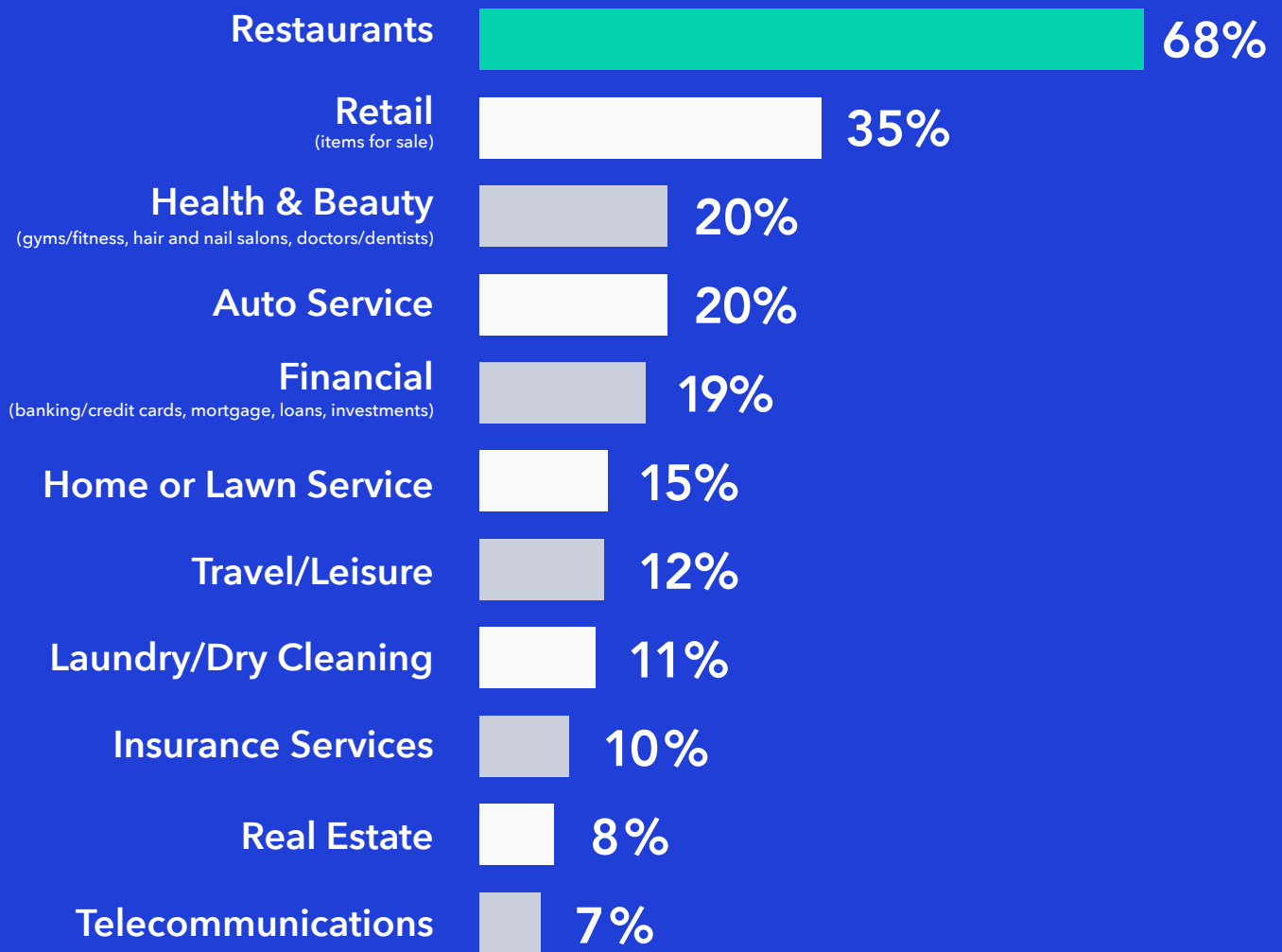
24% visited a retail location¹



In the past 6 months, more than half (52%) of respondents have tried a new product, service, or establishment after receiving marketing mail.²

- Restaurants, retail, and health and beauty are the most common new businesses tried.²
- Gen Z are most likely to try a new business after receiving marketing mail.²

New Product/Service/Establishment Tried:



Source: USPS Mail Moments 2024



How to get the most from your direct mail campaign:

Give them a reason.

A compelling, relevant offer is key to get recipients to open and read direct mail:

- 78% will open/read a single offer or promotion.¹
- 77% will open/read multiple offers or promotions.¹

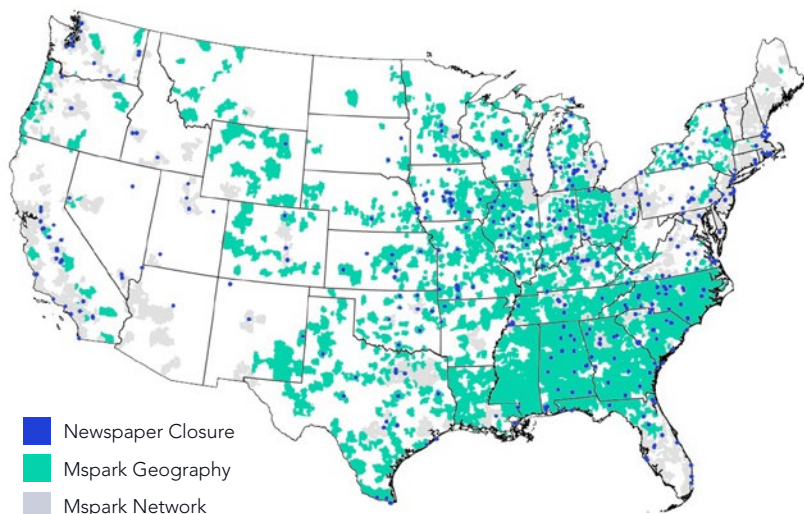
Get personal.

- Personalized direct mail drives higher engagement rates. Mspark's targeting capabilities enable you to zero in on your highest-value prospects and target them with postcard messaging specific to their needs and preferences. [Learn more about our targeting capabilities.](#)
- 63% of consumers are more likely to engage with a brand's message that is personalized to them,¹
- 52% expect mail from brands to be personalized to them in some way.¹

Replace disappearing newspaper coverage with more effective direct mail.

Industries including restaurant, grocery, retail (especially Home Depot, Lowe's, and ACE Hardware), automotive, consumer packaged goods, and telecom have historically relied on newspaper TMC advertising to distribute their weekly circulars.

Targeted direct mail is a more efficient and reliable way to engage your target customers as newspaper coverage continues to shrink.



152 Newspapers Have Closed Since the Start of 2023

OVER 480

Newspaper/TMC Products Have Stopped Circulation Since 2019

64%

of Closed Newspapers are in Rural C & D Counties that Mspark Covers

Learn more about Mspark's targeted [mailbox solutions](#) to drive traffic to your restaurant, mobile app, or website and acquire new customers.

06. Build Your Restaurant Brand

to Drive Revenue Growth with Digital Marketing

Digital marketing helps you achieve consistent brand delivery across media channels and platforms, which can **increase revenue by 23%** on average¹.

A marketing strategy that drives results for your business is capable of pinpoint targeting your best potential customers while evaluating performance, optimizing campaigns, and measuring results.

Custom-build an audience of your best potential customers.

No advertising campaign can be successful without first identifying the highest-value audience for your message. **Your audience is not going to be the same as anyone else's.** It's going to be your keywords, your website visitors, your geofences that you choose—customized just for your business.

Our audience targeting solutions are created based on data, eliminating most of the waste that is often associated with other advertising methods.

There are three main sources of data used to identify the relevant audience:

- **Behavioral** – behavioral data comes from a person's internet activity.
- **Location** – location data comes from a person's offline actions based on the locations they have visited.
- **Demographic** – demographic data comes from offline purchase behavior, publicly available data, and self-reported data.

Did you know?

- **Average time of people being online is up to 6 hours, 37 minute per day in 2023** (up from 6 hours in 2018).
- The majority of internet activity is now being conducted on mobile devices: **7 out of every 10 hours spent on the web are on mobile devices**².

Different actions demonstrate customers at different points during their path to purchase, making all of them worthwhile to target with your message. As your audience surfs the web, they are targeted with ads as they go about their day and interact with their connected devices. This puts your ads in front of:

- People who go to your website and then leave.
- People who are searching for the products and services that you sell.
- People who are reading content that is relevant to your industry.
- People who visit locations in the real world, such as your competitors.



Target consumers based on who and where they are.

Geofencing enables you to target consumers based on who they are and where they are.

How is this possible? **90% of mobile users keep their location services turned on**, creating a wealth of data and consumers to target based on physical locations visited⁴.

Data Curated Addressable Geofencing

Target households based on over 600 demographic variables that are tied to physical addresses of consumers.



CRM Addressable Geofencing

Target specific households based on your supplied customer list to engage lapsed customers and/or upsell current customers.



Landmark Geofencing

Target customers who have visited local landmarks that are relevant to your business.



Event Geofencing

Target customers visiting a venue during a specified timeframe.



Store Geofencing

Target consumers who have visited your store location to encourage repeat visits.



Conquest Geofencing

Better known as Competitive Blunting. Targets consumers who have visited key competitors in market.



Once your target audience has been identified, a coordinated digital marketing approach enables you to drive engagement across multiple channels utilizing Mspark's Boost digital solutions, including digital display, pre-roll video, and OTT/CTV video.



Build Brand Awareness & Drive Store Traffic

Why digital display? The average consumer spends 7 hours per day on internet connected screens⁵.

Our Boost Digital Display solution serves static or animated ads on a variety of device types with targeting to the household level.



Engage New Customers & Generate Awareness

Why pre-roll video? 91% of consumers want to see more online video content from brands⁶.

Video increases brand awareness, ad recall & purchase consideration. Highly targeted at the household level, ads are served to users on premium publishers and mobile apps and average 65%-75% completion rate.



Amplify Your Reach

Why OTT/CTV Video? 87% of US adults own at least one connected TV, and almost half of US adults watch a connected TV daily⁷.

This video channel allows you to reach consumers streaming on all screens down to the household-level with non-skippable ads for the highest video completion rates, averaging 98%. Linear TV subscribers can be excluded.

Measure and optimize digital marketing campaign performance.

Reporting features, along with campaign insights reports, help to paint a picture of exactly who is receiving your ads, where they are receiving them, and how they are interacting with them, reinforcing your ability to maximize the relevance of your campaigns.

Learn more about [digital advertising solutions](#) that increase reach and response with measurable results. Our [full suite of mail and digital advertising solutions](#) is designed to be customizable to develop the most cost-effective media mix to drive ROI and achieve your marketing goals.