

BRANDS STRUGGLE TO KEEP UP WHEN PROMOTIONS EXPLODE IN POPULARITY

Stephanie Miles • StreetFight • March 26, 2020

Long before there were shortages of toilet paper and hand sanitizer, there was a different kind of nationwide shortage, fueled by a social media frenzy.

When the Popeyes Chicken Sandwich was released last summer, the effect on sales was almost immediate. Customers filled Popeyes locations and waited in long lines to get a taste of the buzzy new sandwich. A Twitter feud between Popeyes and Chick-fil-A caused those lines to grow even longer, and the viral frenzy ended up draining the supply of “little chickens” to the point where a nationwide shortage ensued.

For GSD&M, the agency that handles Popeyes’ social media, the rollout was initially seen as a huge success. From a logistical perspective, though, it quickly turned into a nightmare as Popeyes struggled to keep up with demand.

Popeyes isn’t alone in facing

these challenges. Starbucks, KFC, Chipotle, and dozens of other restaurant chains have faced issues behind the scenes when successful marketing promotions went viral. As food retailers embark on more creative marketing strategies in a bid to boost customer loyalty and foot traffic, these challenges are becoming even greater.

“In today’s world, where consumers have expectations for online ordering and fast delivery, food supply chains have to be thinking ahead about supply and demand planning to avoid a shortage or excess inventory,” Kevin Beasley, CIO at VAI, an ERP software developer. “A successful marketing initiative might lead to higher orders, and if stakeholders aren’t communicating with distributors and suppliers about potential changes in purchasing, it’s possible a shortage may occur.”

Panera recently made headlines

with its subscription coffee program. In addition to boosting loyalty, it also got the quick-serve chain plenty of attention. So how are food retailers like Panera satisfying the demand that occurs when their loyalty promotions take off? Beasley says the answer, as always, involves the prudent use of technology.

Social media and other digital channels are providing restaurant chains with a new way to get their products in front of consumers, but in order for loyalty promotions to be successful, restaurants must be prepared for the impact. Without a back-end strategy in place, there’s the chance that customers won’t stay happy and the campaign could backfire.

Traditionally, marketing promotions have been designed to reward consumers with discounts, freebies, and giveaway contests. The vast majority of marketing promotions go unnoticed by the masses. Only a select few go

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viral, but when that happens, the potential for a product shortage is high.

Beasley says the savviest businesses are utilizing data-driven insights to visualize past purchasing trends and keep up with the changing market. This allows the supply chain to keep up with periods of peak demand. It also enables companies to keep inventory up to date and track products in real-time.

“Stakeholders across the supply chain should communicate about what customers want, what marketing promotions are planned, and how retailers, suppliers, and producers can align on business goals to meet demand,” he says. “By leaning on technology such as with an ERP solution, food retailers can leverage business data to

make more informed decisions on purchasing and inventory management, drive efficiency throughout the supply chain, and see success in connecting the supply chain with front-end marketing initiatives.”

With how quickly promotions can go viral on social media channels like Twitter, Facebook, and TikTok, this is an issue that’s coming up more frequently.

Many of today’s consumers want to order items online and expect fast delivery, which has put a strain on a food industry that’s already trying to keep up with compliance, security, and safety issues. By leaning on technology to alleviate some of this stress, Beasley says food suppliers and retailers can keep their focus on serving customers and providing the best

product possible.

“Consumers expect their products to arrive quickly, and as a result, delivery efficiencies have increased with technology to make fast delivery possible. This is no different for the food industry that needs to have shelves stocked and products available whenever customers want it,” Beasley says.

“In the end, every supply chain leads back to the front-end customers they’re serving, whether it’s a corn producer in the Midwest or a bakery supplier in New York,” he says. “While the immediate impact on consumers might not be apparent in the warehouse, by connecting and tracking products at every step of the process, supply chains will be able to better service customer demand.”

