

COLOMBIA:

Will global brands steal market share from Latin-American brands?

Translated from an article by Andrés Felipe Andrade

The competition between local and global brands is a daily challenge in the Latin-American market. LA BARRA magazine interviewed Tom Cook, Principal at King-Casey, one of the firms that has been behind the growth of chains such as McDonalds, Subway, Burger King and Starbucks. Cook talks about why the firm decided to open an office in Latin America and how King-Casey can provide local brands with the tools required to not lose market to their global competitors.

“The changes King-Casey makes are always probing for ways to increase sales”

LA BARRA: Why did King Casey come to Colombia?

TOM COOK: Last year we had the opportunity to work with two local brands, Kokoriko and Mimo’s. After spending time in the country we realized that no one here in Colombia was doing the work that we do in the United States. We decided to come to this market taking into account our recent experience in the Middle East and Saudi Arabia. There we have worked with local brands to increase their competitiveness against the arrival of global brands. Their challenges are not much different than those faced by Latin American brands. We see a promising future in the region because the business of eating in restaurants is projected to experience one of the highest growth rates in the world due to the increase of the middle class.



Tom Cook, Principal, King-Casey

LB: And in Colombia, what have you done with your first clients?

TC: For Kokoriko, we redesigned their stores to increase brand awareness and trial and their menuboard to improve the order process and increase desirable sales. The solutions we developed have been very successful and are currently being implemented.

LB: What is the value added of King-Casey to the Colombian market?

TC: The difference we bring is in the science and insights. King-Casey has a proprietary database of learnings and insights from some of the most important companies in the world. The research we’ve conducted over the decades helps us understand consumers, their needs and trends in the market. We can import these global best practices to Latin American brands, bringing proven strategies that will greatly strengthen their competitiveness.

LB: What are some King-Casey projects that have realized important results?

TC: One project changed the entire fast-food industry. We worked with Burger King in the late 1980's to create a strategy to increase the average ticket. The solution was our invention of "bundled meals", which consisted of offering fries, drink and a burger altogether. Of course the average ticket increased dramatically, and the entire industry took notice. This combo meal strategy is now used around the world. Another case (also with Burger King) was the creation of a zone merchandising strategy. We identified key customer zones in the restaurant that are positioned before the actual order point. In these "pre-order zones" we developed "suggest-sell" communications. This resulted in increased sales and faster throughput. King-Casey's pre-sell strategy is now widely used around the world. We have also redesigned the drive-thru's for brands like McDonalds, Starbucks, Dunkin' Donuts and Burger King making them more efficient and increasing sales. We redesigned the menuboards and zone merchandising for Subway, which increased their sales considerably.

LB: Besides the food service categories, what other brands have you worked with?

TC: When Mercedes Benz first introduced their cars in the United States they did not achieve the sales results they expected. They contacted King-Casey and through insights gleaned from Mercedes owners, we found that the

interior design of the car was not communicating "luxury" to American consumers. So we redesigned the car's interior to better communicate the luxury positioning of the brand. This helped Mercedes ignite their sales within the United States. King-Casey also designed the American Express card, which was originally purple and didn't communicate the right message to consumers. We made the card green (like a US dollar bill) so the consumer would instinctively understand that the American Express card was an alternative to using cash.

"We first do scientific research. From these findings we develop strategies and then optimized designs"

Some successful case studies of King-Casey:

- The development of new menuboards and in-store communications for Back Yard Burgers increased its sales by 14% and the average ticket by 10%. The re-branding of its logo increased traffic by 10%.
- The 3-D Branding strategy created for Buffalo Wild Wings increased sales by 7%.
- The development of new communications and menuboards in Subway increased sales by 11% and the overall meals sales by 40%.



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