

The Solution

So, Matt Andrew turned once more to Alexander Babbage to carry out a series of consumer and market research studies for Moe's.

Working together, the staff of Alexander Babbage and Moe's Southwest Grill drew up a list of all significant variables that influence real estate selection: demographics, competition, market maturity, regional variations, and media spending (Moe's and the competition's) being amongst the main factors.



Armed with these criteria, Alexander Babbage set about gathering the required data. Unlike other studies, this task was less reliant upon primary research, but instead drew on other sources. Such sources were public information repositories, industry specific data, Moe's own sales statistics, and previous Moe's research carried out by Alexander Babbage.

All these sources yielded a sea of information, and the real challenge in this exercise was to discern the patterns and correlations. After some serious number crunching, the fog of data cleared and out of it emerged a comprehensive model.

"The model helps takes much of the guesswork out of real estate selection. It enables us to make real estate recommendations backed by data giving the franchisee confidence that we are setting them up for success."

Matt Andrew, President at Moe's Southwest Grill

The Result

The model formulated remains proprietary to Moe's Southwest Grill and is a key company asset. As such, not many details can be divulged here. However, it might be possible to create a general impression with some outline information.

Basically, the model breaks down the entire U.S. into geographically distinct sectors or DMAs (Designated Market Areas). By cross-referencing Moe's own unit sales figures, general demographics, numbers of existing restaurants, and advertising spends, a model develops mapping the market maturity of each DMA. This is effectively a measure of how receptive each area is to Fast Casual Mexican eating in general, and Moe's in particular.

Of course, any model is only as good as the data it holds. With that in mind, the model was designed so as to allow easy updating and the addition of other factors such as marketing and management. This also yields another benefit in that it can also be easily re-purposed using other base geographical datasets if required, e.g., even smaller geographical sectors.

No one factor can guarantee the success of a particular restaurant, of course. Management, marketing, operations, and other factors all have their part to play. But, the model does, at least, take the guesswork out of location selection helping the continued success of the chain. So, if you still haven't made Moe's acquaintance, don't worry. You will be doing so soon.