



On The Border Mexican Grill & Cantina

BACKGROUND

On The Border Mexican Grill & Cantina first opened its doors to the people of Dallas, Texas in October of 1982. What started out as a dream to provide fresh Border-style food to the people of Dallas has since expanded to a national level, with 160 restaurants mostly concentrated in the southern United States. After its divesture by the Brinker International restaurant group, On The Border’s new owners sought to accelerate revenue growth and enterprise value through a more targeted and compelling brand positioning. To this end, Fidelum Partners was retained to develop an actionable segmentation of Mexican restaurant customers, as well as a more focused and compelling brand positioning that would generate double-digit revenue and EBITDA growth.

SOLUTION

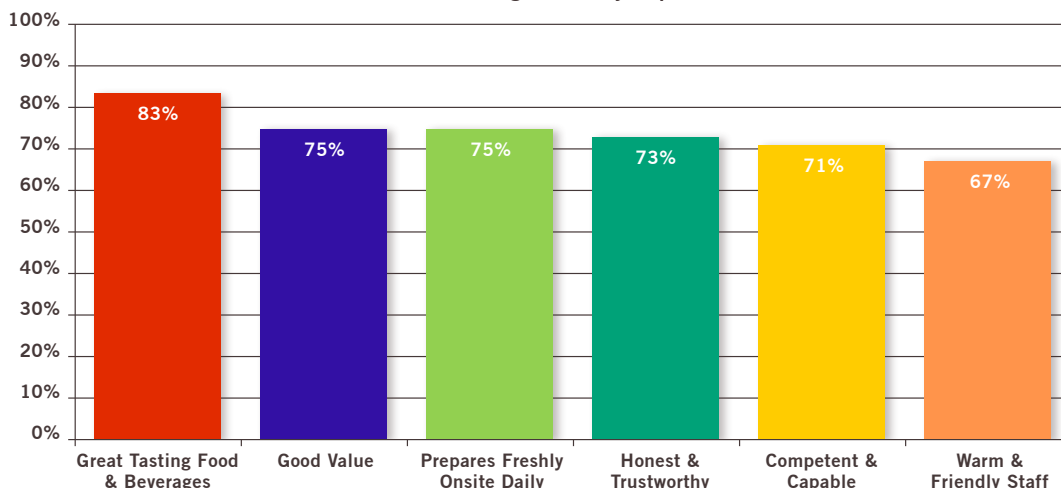
To accomplish these objectives, Fidelum Partners utilized a disciplined five-step process that engaged key stakeholders from the outset and received enthusiastic Board support at its conclusion.

Step 1: Destination Planning: The senior management team and key stakeholders were facilitated through the development of a shared destination statement for On The Border to ensure complete alignment on the scope, expectations and definition of success for the initiative from the outset.

Step 2: Situation Assessment: Using all available internal and secondary market data, a thorough assessment was conducted to determine the brand’s current position relative to its stated destination, as well as what barriers and information gaps would need to be overcome to achieve it.

Step 3: Quantitative Research: Building on the Situation Assessment findings, a quantitative study of Mexican restaurant guests was designed and fielded. This included online interviews with nearly 1,300 past and potential On The Border customers. This research revealed an enlightening pattern of attitudes, priorities and perceptions of Mexican restaurant customers, which were used to identify the brand’s strengths and gaps relative to expectations, as well as key competitors.

Mexican Restaurant Attribute Importance
 % of Customers Rating Extremely Important





Step 4: Customer Segmentation: Leveraging this extensive dataset, Fidelum Partners developed a cluster analysis segmentation of Mexican restaurant customers, which included a detailed profile of the attitudes, priorities, perceptions and visit intent of each segment specifically as relates to On The Border. In particular, two high value segments were identified that represent less than half of all Mexican restaurant customers, but contribute nearly 80% of future potential for the brand.

Step 5: Brand Positioning Strategy: Using these in-depth insights, Fidelum Partners developed a compelling new positioning that focused all brand efforts on the customer segments representing the greatest opportunity and probability of success for On The Border. Using this new positioning, the marketing team was able to develop and implement much more targeted campaigns and promotions that avoided trying to be “everything to everyone.”

STRATEGIC DIRECTION

The new brand positioning and customer segmentation were well-received by the On The Border management team and Board of Directors. With the leadership of a new Chief Marketing Officer, the new On The Border brand positioning has been continuously refined and enhanced during its implementation across the organization.

“The customer segmentation insights the Fidelum team uncovered helped us set more effective marketing strategies and created a shared customer targeting language within On The Border. It was definitely a valuable investment!”

-Ashley Zickefoose, Chief Marketing Officer, On The Border