



## 3 Tips from Food Trucks

**F**ood trucks are popping up everywhere. And these new mobile units have come a long way from the college-campus roach coaches of questionable quality. They now serve gourmet tastes out of clean, well-designed trucks, and they're attracting respectable office workers and hip club-goers alike.

At a time when many quick-serve chains are struggling to turn positive comps and open profitable locations, the number of food trucks is exploding, as are sales from individual units. The mobility of these units gives them a distinct advantage over traditional quick-serve locations: They can go where people are in a kind of Mohammad-to-the-mountain fashion, removing drive time and hassle barriers.

But these outlets have become so popular, it's common to hear of folks dropping what they're doing and driving out of their way to catch their favorite food truck. While most offerings are in the standard fast food price range, some trucks sell enough \$12 entrées (of Foie Gras Torchon!) and attract famously long lines to demonstrate their appeal is more than cheap, convenient eats.

More than simply being masters of mobility, food-truck operators have honed a business model and marketing strategies to grow faster than many quick serves. Fast food chains have quite a bit to learn from their success.

**1. Focus Your Execution** The logistics of operating out of a food truck limit the number of menu items that can be served. Instead of this being a drawback, though, it might be food trucks' greatest strength. With fewer items to prepare and handle, operators are able to manage food costs so they can price gourmet products reasonably, streamline the menu and communications to keep the ordering process simple, and execute well and consistently—all of which add up to a compelling customer experience.

Some operators embrace their niche so enthusiastically, it seems like the constraint would stifle business—how many varieties of cupcakes can you really make?—but in fact, their brands are stronger because of it. The Grilled Cheese Truck in Los Angeles built a cult-like following by serving nothing but variations on the old standby sandwich. The company's clear and focused brand identity stands out in a crowded and cluttered marketplace and resonates with consumers seeking simplicity and comfort.

Many quick serves rely on menu variety and wide selection as value propositions, but food trucks are finding more success going deep instead of wide.

**2. Create Demand** The mobility of food trucks works in their favor as the scarcity principle is built into their business model. The principle says that when things are scarce—or when we think they will become scarce—we want them more.

Most food-truck regulations specify time restrictions that prohibit staying in a single location for an extended period of time—and most trucks make several stops during a rush period. As a result, customers know they have a limited window of opportunity to visit a truck. They also learned to follow the early bird adage, because trucks have a limited stock. So when food trucks are around, people are more eager to buy from them—and when they're not, they sow pent up demand.

Quick serves may not have the flexibility to pick up and go to employ the scarcity principle, but they can run limited-time offers. But many quick serves use LTOs as a way to hedge their bets on a product introduction: If the item turns out to be successful, it gets a permanent slot on the menu, and if it doesn't, it gets pulled quickly and replaced by an equally dubious alternative. The problem is, most customers figure this out and the perceived exclusivity of an LTO can become diminished. Operators should rethink how best to stimulate demand through LTOs.

Quick serves can also restrict special offerings to certain days, times, or locations. This might seem to contradict the flexibility and accessibility that most chains seek to offer, but the way food trucks build businesses through craveability suggests that scarcity might be a wiser strategy than abundance.

**3. Use Social Media Right** Food trucks figured out that between Twitter, Foursquare, and Yelp, they have the ultimate arsenal to stimulate traffic quickly. They can send tweets to announce their pending arrival, set up Foursquare so they're tagged as "moving targets," and encourage customers to submit online ratings so others can access them on mobile phones.

All of these drive people to food-truck locations. And because of their scarcity, these tactics also stimulate immediate responses.

Ray Villaman is president of Moby Munch, a food-truck consultant and developer that provides an infrastructure for potential food-truck operators. He says social media facilitates a personal connection with the target consumer.

"Consumers feel closer to the food and closer to the people producing the food" when they follow on social media, he says. Brands seem more personable and authentic, as people perceive the company is using social media to connect with individuals and the local community, not just the mass public.

Quick serves already jumped on the social-media bandwagon, but employing food trucks' specialized approach could enhance their efforts. They should use these tools to convey time-sensitive, location-specific messages. Putting store-level employees on social-media duty might increase the personal connection. And actively promoting social-media usage among the chain's loyal customer base helps fuel positive word of mouth. 