LOCAL/INDEPENDENT LINEN SUPPLIERS DOMINATE THE NATIONAL CHAINS

IN BOTH IMAGE & PERFORMANCE IN SERVING FINE DINING RESTAURANTS

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In 2004, CSCNetwork asked Market Measurement, Inc., a national market research consulting firm, to design and manage a telephone survey among purchase decision-makers at fine dining restaurants across the U.S. This research investigation provided valuable insights regarding motivations for using a linen rental service, key sources of customer satisfaction and dissatisfaction, as well as in-depth insights regarding the image and actual performance levels of local/independents, vs. the national chains. To support the market research and planning needs of member firms involved with linen rental, Market Measurement was asked to replicate this study in 2012.

How We Collected The Information

A scientifically-developed pure random sample of fine dining restaurants, including French, Italian, Steak, Seafood and Japanese, was purchased from Dun & Bradstreet. This list excluded the major restaurant chains, since previous research conducted within this market confirmed that linen rental decisions at major restaurant chains were typically made at headquarters' locations. Market Measurement executive interviews completed 200 interviewers with individuals confirmed to be "purchase decision-makers for what the restaurant uses for table tops, napkins, bar towels and similar products." All data collection was conducted May 4 – 18, 2012 with an average questionnaire length of approximately 12 minutes.

Evidence of Growing Popularity of Rental Cloth Table Napkins

In 2004, slightly less than two-thirds (62%) of all fine dining restaurants used rental cloth table napkins. In 2012, this has increased "significantly" to almost three-quarters (74%). There is evidence that this net increase may be a function of more aggressive/successful marketing by linen rental firms as purchase decision-makers were considerably more vocal about the "primary benefits" of renting cloth napkins in 2012, vs. 2008.

PRIMARY BENEFITS OF RENTING LINEN PRODUCTS AT FINE DINING RESTAURANTS	TOTAL 2012	TOTAL 2004
No need to launder/wash products	56%	76%
Laundry service does pick-up and delivery	32%	15%
We get fresh linens every week	28%	6%
Cleanliness	28%	8%
Saves time on labor	18%	6%
Laundry service replaces damaged/worn out items	15%	9%
On-time delivery	12%	3%
On-time pick-up	11%	–
Lower cost	6%	10%
More space available/No need to store products	6%	3%
More Convenient/Convenience	3%	10%
Other	11%	4%
None/No benefits	4%	3%

Improved Satisfaction Ratings for Linen Rental Suppliers, Especially Among Those Using a Local/Independent Supplier

Almost two-thirds (65%) of all purchase decision-makers in 2004 were all "very satisfied" with their linen rental supplier. In 2012, this increased "significantly" to 73%. This net change was led by local/independents for whom 76% of current customers are "very satisfied," compared to only 69% for the national chains.

Actual Performance on Key Customer Satisfaction Issues Heavily Favors Local/Independents Over the National Chains

As shown in figure 1, those currently served by a local/independent linen supplier are consistently, and often substantially, more likely to indicate that their supplier performs "above their expectations" for these eight key drivers of customer satisfaction when compared to the national chains. For example, 67% of those currently using a local/independent rate their supplier as performing "above expectations" for "responsiveness when you have a problem or concern," significantly above the 53% among restaurants using a national chain for linen rental.



figure 1

Local/Independents Overwhelmingly Perceived as Being More Likely to Meet Restaurant Needs Than the National Chains

Across all purchase decision-makers, including those who currently use a local/independent, as well as those serviced by a national chain, the dominant perception is that a local/independent will best serve a restaurant's needs across the full range of evaluation criteria shown below in figure 2. For example, 86% of all purchase decision-makers contend that a local/independent would best serve their needs for "timeliness of response to problems," compared to only 14% favoring a national chain supplier.

Crucial Untapped Opportunity Among Local/Independent Linen Suppliers

This market research study provides compelling evidence of the image and marketing benefits of being a local/independent linen supplier. Unfortunately, this may represent little more than a "missed opportunity" for many CSCNetwork member firms. Specifically, when asked to describe the geographic area served by their linen supplier, barely one-half (55%) correctly identified their supplier as a local/independent. In essence, this research reveals that the typical CSCNetwork linen supplier may have no better than a 50:50 chance that restaurant decision-makers at current customer locations are aware that they are being served by a local/independent.

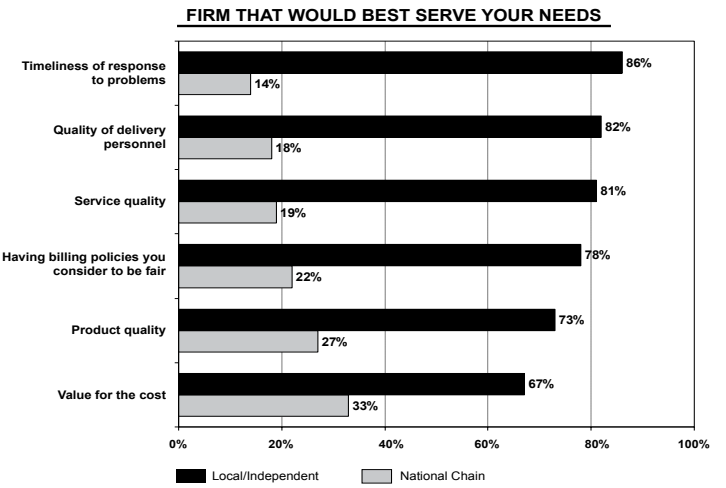


figure 2

Methods for CSCNetwork Member Firms to Capitalize Upon This Important Research Investigation

Without question, every CSCNetwork member involved with linen rental could benefit from this study through the following:

- Immediately pursue action plans to better educate current customers on the fact that you are a local/independent supplier. CSC has developed customizable brochures you can distribute to customers promoting not only that you are their best local choice, but why.

- Share the study findings outlined in this article with internal personnel to support expanded action plan development while also ensuring your employees and staff are aware of the highly favorable image attributes, and performance, of local/independents in this market, especially when compared to the national chains.

- Attend the CSCNetwork Annual Convention March 6–8, 2013 where a comprehensive overview of the study findings and recommended action plans will be shared. CSC



For more than 10 years, CSC has partnered with Carl on market research projects for the industrial laundry industry.

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