PART II: MENU IMPACT OPTIMIZATION

NOT ALL PLACEMENTS ARE CREATED EQUAL

How depletion and social data can optimize the impact of menu placements

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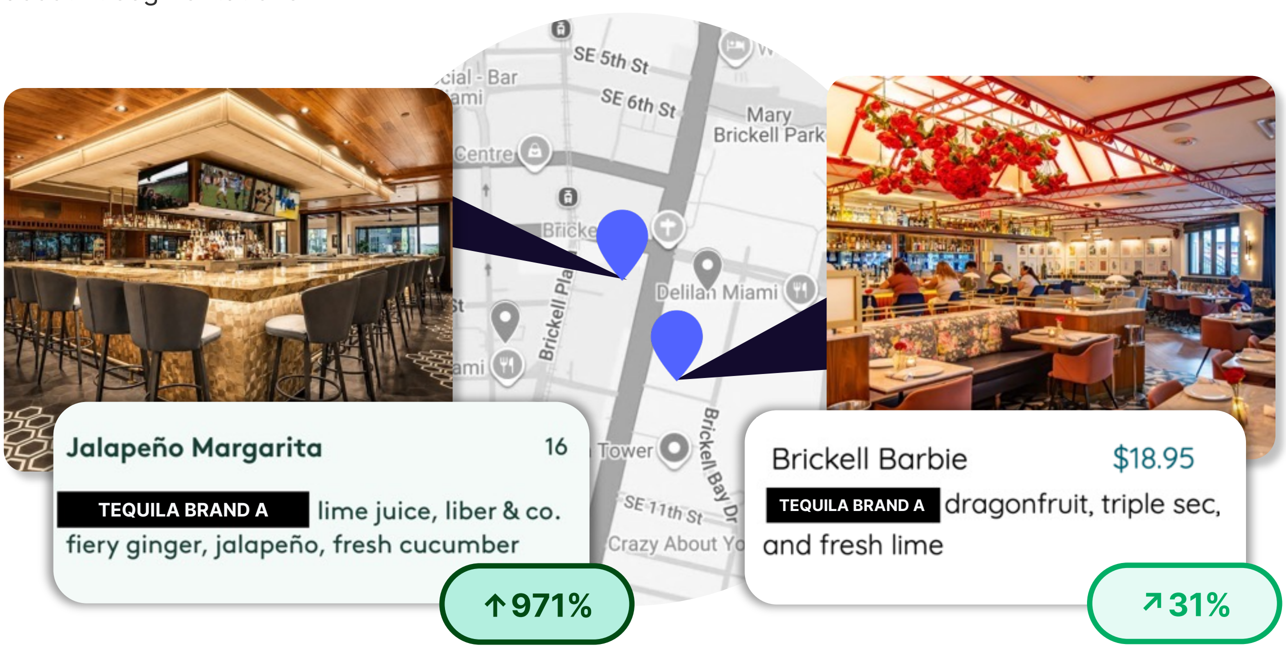
MARKET & CHANNEL AREN'T ENOUGH

In Part I of this series, *The Menu Effect*, we demonstrated that when a brand is featured on a venue's cocktail menu, it sells dramatically more than when that same brand only has distribution in the account. Knowing that the commercial impact of a menu placement is real and measurable, the natural next question is: can it be optimized?

Current account classification systems, based on channel and geographic location, make this optimization difficult.

Consider two restaurants in Miami featuring the same named Tequila brand on both cocktail menus. Located across the street from one another, these accounts look identical to legacy account segmentations.



But from a sales impact perspective. In one account the menu uplift is +31% above the national average, and at the other it is +971%!

Everything that separates these two placements is invisible to a market-and-channel view. This paper shows how the right data predicts the commercial impact of one of the industry's key levers: the menu feature.

> Same market. Same channel. Same brand on the menu. A 30x difference in what the placement delivers.

THE TWO DRIVERS

The two Miami restaurants weren't a fluke. Placement value varies enormously from account to account, and little of that variation shows up in the data brands use to target today.

Two candidates for what drives it are obvious and intuitive, yet neither has been measurable at scale until now.

1. Account Size

Which accounts to prioritize: sales in this channel are highly concentrated. Across all major spirits categories, the top 10,000 accounts drive roughly half of total volume; the top 35,000 out of roughly 110,000 independent Bar and Restaurant accounts, drive more than 80% of volume. It is close to an 80/20 rule. Most accounts move very little. A market-and-channel target list treats them alike, but the volume says they are anything but.

2. Consumer alignment

Which cocktail to be in: a cocktail menu carries many drinks, often several built on the same spirit. A Whiskey brand might have its choice of the Manhattan, the Old Fashioned, or the Whiskey Sour, but which cocktail should the brand target? Menu data says all three are "on the menu." It can't say which one to fight for. Consumer social data can: it identifies which of those drinks an account's guests actually order and talk about — the one placement worth winning.

This paper measures both levers and shows how each moves the value of a placement.

> Looking at menu presence tells you which accounts you can win. These two drivers tell you which are worth winning and how.

ACCOUNT SIZE:

HOW WE DEFINED IT

To optimize placements by account size, you first have to define size. We ranked every independent bar and restaurant by its total category volume and split the universe into three tiers: **the top 10,000 accounts** (Tier 1), the **next 25,000** (Tier 2), and **everyone else** (Tier 3).

The tiers are worlds apart. A Tier 1 account moves ~183 cases of Tequila a year; a Tier 3 account moves ~6. Concentration this steep is the whole reason account selection matters — most volume lives in a small set of accounts.

TIER 1	10K Independent Accts	183 Tequila Cases
TIER 2	Next 25K Independent Accts	39 Tequila Cases
TIER 3	Remaining Independent Accts (66K+)	6 Tequila Cases

But size cuts two ways, and any data driven strategy must account for both.

TEQUILA	CASES PER ACCOUNT (TOTAL CATEGORY)	BRANDS NAMED PER ACCT	% OF ACCTS NAMING A BRAND	CASES PER PLACEMENT
TIER 1	183	0.73	30%	10.1
TIER 2	39	0.25	15%	3.4
TIER 3	6	0.06	5%	1.1

Bigger accounts sell more; that's the tailwind. More traffic, more volume, more of every category moving through the door.

But bigger accounts also carry more brands; that's the headwind**.** An account in Tier 1 utilizes more branded cocktails on its menu and is far more likely to feature several brands from the same category. Whereas a Tier 3 account might have a single Tequila on the menu, a Tier 1 account has several, meaning that the per-placement share of a big account's volume is smaller.

The result is a partial offset. Per account, Tier 1 outsells Tier 3 by 30x. Per placement, that advantage compresses to ~9x. Still decisive, but a reminder that a placement in a big account is a slice of a bigger pie, not the whole pie.

Bigger accounts are worth more, but you're sharing them. The real question is what one placement is actually worth.

ACCOUNT SIZE:
WHAT A PLACEMENT IS WORTH

Bigger accounts sell more but divide that volume across more brands. So, what does a single placement actually deliver, tier by tier?

CATEGORY	TIER 1	TIER 2	TIER 3
WHISKEY	12.1x	5.2x	2.2x
TEQUILA	11.3x	3.3x	1.1x
VODKA	7.8x	2.3x	0.8x
GIN	7.0x	1.8x	0.6x
RUM	6.9x	1.9x	0.6x
LIQUEURS	6.9x	1.9x	0.7x

Indexed against the average placement, the gap is stark. A Tier 1 placement is worth roughly seven to twelve times the average placement in its category. A Tier 2 placement, about two to five times. A Tier 3 placement lands at or below the average in several categories, **worth less than one.**

Put simply, a single on-menu placement in a Tier 1 account is worth about ten placements in the tail. One placement in the right account out-earns a handful in the wrong ones.

And the tail is weaker than a menu win suggests. In most categories, a Tier 3 on-menu placement delivers less than a Tier 2 brand that isn't on the menu at all, the account outweighs the placement itself. The value of a placement is real and large in Tier 1, meaningful in Tier 2, and significantly reduced in Tier 3, not because the menu stops working, but because there is little volume for it to amplify.

The effect is sharpest in categories that live on the cocktail menu. Whiskey leads every tier, as Whiskey moves little off-menu, so a cocktail placement is close to the whole game. Categories with steadier off-menu demand see a gentler, though still meaningful, lift.

A placement in a top account is worth roughly ten in the tail. The account decides the outcome.

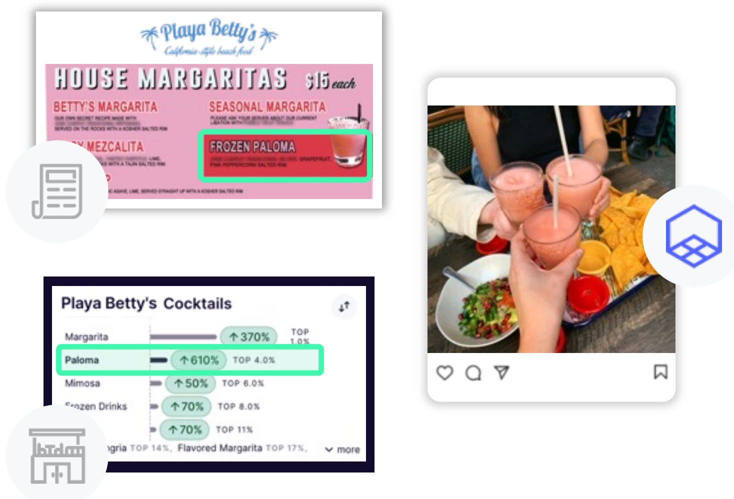
CONSUMER ALIGNMENT:
THE SECOND DRIVER

Account size tells you where the volume is. It doesn't tell you which cocktail to be in once you're there.

High-volume accounts often carry several cocktails built on the same spirit: multiple Whiskey drinks, a handful of Tequila serves, and it is difficult for brands to win a place in more than one. Menu data confirms the cocktails exist; it can't say which one an account's guests reach for. That distinction is worth a great deal, and until now it has been invisible.

Consumer social data makes it visible. Ground Signal analyzes where and how often specific cocktails are mentioned by consumers. We track the drinks people talk about at a given venue, and then, aggregate it at scale to identify which cocktails a venue is genuinely known for.

For this paper we consider an account as **aligned** to a cocktail when two things are true: the cocktail is on the menu, and the account **over-indexes** for consumer mentions of the cocktail relative to its peers. Over-indexing matters. A busy venue generates more mentions of everything; the signal isn't raw volume. It's a venue punching above its weight for a particular drink: the Old Fashioned bar, the Margarita spot, the place people go for the Espresso Martini.



This is a comparison between placements, not against the shelf. Both brands are on the menu; the only difference is the cocktail each is in: one the account's guests favor and one they don't. The question it sets up is a practical one for any brand weighing a placement: at an account with a cocktail its guests clearly favor, does the brand poured into that cocktail sell more?

> Menu data tells you the cocktail is on the list. Consumer data can tell you how often venue patrons are ordering it.

CONSUMER ALIGNMENT:

WHAT ALIGNMENT IS WORTH

Consider a single case to see how the value builds: Whiskey, in a Tier 1 account.

OFF MENU (TIER 1 ACCOUNT)

ON MENU (ANY WHISKEY COCKTAIL)

A brand not on the cocktail menu captures about 2.4% of the account's total Whiskey volume. Getting on the menu, regardless of cocktail recipe, lifts that to roughly 14%. That is the menu effect: the value of being named at all.

IN THE ALIGNED OLD FASHIONED

Here is where consumer alignment comes in to play: a brand in the Old Fashioned at an account, whose guests are known for ordering it, captures about 25% of the category.

That step, from 14% to 25%, is the alignment effect: the extra share a brand wins by being in the cocktail consumers actually favor.

In this example, being in the right cocktail adds nearly as much share as getting on the menu did in the first place, and it is a step that consumer social data can identify. The size of that affect can vary greatly depending on the cocktail.

> Getting on the menu multiplies your share. Getting in the right cocktail lifts it again — and consumer data shows you where.

CONSUMER ALIGNMENT:
MORE THAN JUST WHISKEY COCKTAILS

The Whiskey example is not an outlier. Across multiple popular cocktails, a brand in the aligned cocktail captures a greater share of the category than a brand in the account's other serves — at the same accounts, on the same menus.

COCKTAIL	FEATURE IN HIGH MENTION COCKTAIL	FEAUTURE IN OTHER COCKTAILS	RATIO
OLD FASHIONED	25.2%	8.0%	3.1x
MOJITO	35.9%	17.1%	2.1x
ESPRESSO MARTINI	40.0%	19.6%	2.0x
BLOODY MARY *	30.1%	15.8%	1.9x
PALOMA	20.8%	12.3%	1.7x
MARGARITA	12.1%	7.9%	1.5x
MARTINI	23.2%	20.3%	1.1x

** < 50 in-cocktail placements — directional*

As the table above demonstrates, consumer alignment is real, and it is measurable. But it is not a silver bullet, and the size of the edge varies in a way that is worth understanding. It is largest where a cocktail stands alone: where an account's category volume runs through a single signature serve. The **Old Fashioned** leads at roughly 3x the share of other Whiskey placements. Distinctive cocktails like the **Mojito** and **Espresso Martini** run about 2x, with the Bloody Mary and Paloma close behind.

It is thinnest for the **Margarita** and **Martini** — the cocktails most likely to appear in multiples on a single menu, averaging 3.6 and 2.4 features per account in accounts that have them on menu. When a category's volume splits Margaritas on the same menu, an aligned placement still has to win the order against the others.

Consumer alignment is a real edge — sharpest where limited serves minimize competition for consumer preference

FROM INSIGHT TO ACTION

The Menu Effect, the first paper in this series, established that a menu placement has value. This paper answers the harder question: not whether placements work, but which ones, and why. Two drivers decide it: (1) account size determines whether a placement has volume behind it and (2) consumer alignment determines how much of that volume a brand captures. Both are now measurable, at scale, before a single placement decision is made.

But the findings in this paper are market benchmarks: the average shape of account size and consumer alignment fluctuates across bars and restaurants nationwide. Your brands are not the average. Your categories, your accounts, and the cocktails you compete in tell a different story, and the averages cannot tell you where you specifically are winning placements worth having and where you are spending against placements that will never pay.

Ground Signal can now build that picture for your brand portfolio. Scoring your accounts on volume and your cocktails on consumer demand and showing you exactly where a placement will pay and where it won't.

That is the difference between working a target list and running a menu strategy: knowing which accounts justify the effort, which cocktail to win at each, and where you are already on the menu but in the wrong drink.

Ready to build a menu strategy grounded in data? contact your Ground Signal representative or email us at **sales@groundsignal.ai**