

EAT OR BE EATEN: A LOOK AT CULTURAL EQUITY IN SMALL
BUSINESS SUCCESS BY COLLEGE CAMPUSES

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Abstract

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Title: Eat or Be Eaten: A Look at Cultural Equity in Small Business Success by College Campuses

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Research Question

"What operations, tactics, and strategies that successful small businesses perform produce the most effective and persistent Cultural Equity among new cycles of student populations?"

I opened Google Maps on September 25, 2020, and checked the restaurant located at 2530 Guadalupe Street in Austin, TX. This is apparently the address of Moody's Kitchen + Bar, an American restaurant on "The Drag" by the University of Texas' campus. When I clicked on "street view," I saw an entirely different restaurant, Daphne's Mediterranean. The street photo was not dated – it was taken in 2019. This incongruence is due to a highly competitive market on The Drag which has been the reckoning of numerous businesses, small and large alike. In my time on The University of Texas' campus, I have witnessed at least four different businesses fail to survive in this location. Why? What operational factors of The Drag make survival difficult? Looking at the flip side of this coin, what causes successful "by-campus" businesses to succeed?

In this paper I will focus on retail and restaurant locations from the intersection of MLK Boulevard and Guadalupe Street to the intersection of Rio Grande Street and 29th

Street. For small businesses, this operating environment has immense foot traffic from the 50,000+ students on UT Austin's campus. Students spend only a few years on campus and then move away, so businesses are presented with a unique challenge of customer churn. Assuming that small businesses do not benefit from pre-existing brand awareness and customer interest that larger chains do among new student populations, word of mouth marketing comes at a premium, minimizing the cost of customer acquisition. Through survey analyses I have found that firms that have survived for a lengthy period in this environment tend to have some measure of Cultural Equity. Here, Cultural Equity for a small business is defined as a composite score of brand awareness percentage, net promoter score, and the likelihood that a customer would take an out-of-town friend to a business' location. Cultural Equity represents the degree to which a small business is known, recommended by customers, and is shared with out-of-town friends; it is a measure of word of mouth marketing and customer advocacy. In this paper, I focus on understanding how a firm might cultivate Cultural Equity.

Methodology

There are a select few small restaurants and retail shops that have stood for over a decade on The Drag: Cabo Bob's, Texas French Bread, Taco Shack, Dirty Martin's Place, Halal Bros, Kerbey Lane Café, Wooten Barbershop, Pho Thai Son, and Caffè Medici. Expanding on the assumption that word of mouth marketing is an important contributing factor for business success in this unique environment, I will investigate the tactics employed by these organizations to generate Cultural Equity. What operations, tactics, and strategies that successful small businesses perform produce the most effective and persistent Cultural Equity among new cycles of student populations?

Through secondary research, student surveys, and interviews with managers, owners, and experts, I will identify defining characteristics of this operating environment, relate longevity with Cultural Equity, and suggest the means by which organizations have achieved Cultural Equity among the student populations. I believe that the small businesses that succeed on The Drag often benefit from strong customer advocacy.

Table of Contents

Introduction	6
The Phenomenon	6
What We Know	8
My Objective	12
Historical Background	13
Cultural Equity Explained	15
Introduction	15
Traditional Marketing Wisdom	16
Brand Awareness	19
Net Promoter Score and the Out of Town Friend Metric	22
Data Analysis	27
Case Studies	36
Introduction to Case Studies	36
Conversation with Cabo Bob's Founder Don Brinkman	37
Conversation with Kerbey Lane Cafe CEO Mason Ayer	47
Conversation with C. Jane Owner Kat Key	54
Conversation with Caffè Medici Owner Michael Vaclav	63
Conclusion	72
Annotated Bibliography	76
Appendix	85

Introduction

The Phenomenon

For many decades, the west side of The University of Texas at Austin's campus has consisted of a strip of retail stores called "The Drag". The Drag separates campus from "West Campus", the majority of off-campus student housing. With roughly 50,000 total students, The University of Texas is typically a fertile source of foot traffic for near-campus businesses. As a result, campus seems to provide businesses on The Drag tremendous visibility and revenue opportunities via the constant flow of college students to and from campus. Although the retail spaces on The Drag appear to be highly valuable for businesses targeting the student population, history has shown The Drag to be a breeding ground for business failure. Although I have observed organizations of all sizes struggle to succeed on The Drag, large organizations have a greater abundance of resources and may benefit from existing brand awareness. As a result, I am focusing my analysis on small businesses. This was the original focus of my project: why do so many small businesses on The Drag fail when their proximity to campus seems conducive to business opportunity? After many conversations with business owners who have previously operated or currently operate businesses on The Drag, a few things became evident. The operating environment on The Drag is a brutal one with businesses experiencing exorbitant rent costs, rapidly evolving customer needs, homeless populations decreasing the safety of the street, and a constantly turning-over student population. As I identified both obvious and obscure difficulties of operating in this environment, one idea became clear: word of mouth marketing is important to long standing small businesses.

Small businesses hold no brand awareness for non-local students arriving at campus. Therefore, it is intuitively important to the success of small retailers and restaurants to become known by the student population. In addition, it is important that small businesses have advocates among their student customers who will recommend the business to friends and share positive experiences with others. Recognizing the importance of these ideas, I created a composite metric that measures the degree to which a small business benefits from brand awareness and customer advocacy. The metric is called Cultural Equity, and it can be defined as the degree to which a business holds value within a customer population via brand awareness and positive word of mouth marketing. This paper seeks to identify the means by which small businesses cultivate Cultural Equity through marketing strategies.

My survey data indicate that successful small retail and restaurant businesses on The Drag usually possess a significant degree of Cultural Equity among student populations. To define this novel term, Cultural Equity is the degree to which customers are not only aware of a business, but are willing to recommend it to a friend and are willing to introduce it to an out-of-town friend. Cultural Equity is a metric representing the level of brand awareness and advocacy a business benefits from in a particular market. For obvious reasons, large chain retail and restaurant businesses do not experience the same struggles with brand awareness among student populations as do small businesses, so I have excluded them from my Cultural Equity analysis. In this paper, I will investigate what operations, tactics, and strategies successful small businesses perform that produce the most effective and persistent Cultural Equity among student populations.

What We Know

Traditional marketing wisdom says success is driven by the alignment between customer needs and business value, and how well that alignment is communicated. Unique to The Drag as an operating environment, there are new, blank slate students introduced on an annual basis, and current market adherents disappear after roughly four years. With a revolving door of students, communicating the value proposition of a business effectively becomes a point of great significance. With insight gathered from interviews, I learned that many small businesses that have survived for years on The Drag rely on word of mouth marketing and customer advocacy to reach new classes of students.

In order to gain insight on the nature of small businesses by campus, I spoke with a handful of business experts in Austin, TX. Lee Walker, the first president of Dell Computer, Texas adjunct professor of entrepreneurship and civic engagement, and longtime Austinite, described a course he taught to Texas students approximately 25 years ago. Lee personally visited with businesses on The Drag and said, "I will give you the benefit of my knowledge and 20 of my students and we'll come in and consult with you. You'll have to show us your financial statements, but we'll try to bring some value added." Roughly 20 businesses said yes, and Lee believes that every single business he worked with has failed to this day. Repeatedly, Lee mentioned the problem of The Drag being a one-sided street with a homeless problem. In decades past, The Drag was a thoroughfare with a grassy knoll on the university side. Drove of people would gather for parades and would walk freely between the University of Texas campus and West Campus. Elaborating on the nature of the problem, I posed Lee a question: "How do

you think that local businesses should think about their connection with the university?”

He responded from the macro-perspective of an educator, wanting to recruit the School of Architecture to partner with the university to enliven The Drag. The university would have to be convinced it has a fiduciary responsibility to make The Drag a safer thoroughfare for its students. Customers would be more inclined to linger longer if the street were safer, which would generate word of mouth marketing between students. The question still remained for me: how do small businesses succeed in spite of these environmental challenges?

After speaking with Lee Walker, I spoke to Don Brinkman, owner and founder of Cabo Bob's. Years ago, Brinkman served as the president of Mr. Gatti's Pizza. From his long tenure on the MLK Blvd. side of The Drag operating Mr. Gatti's Pizza to his more recent experience founding Cabo Bob's and later entering The Drag, Brinkman has had his fingers on the pulse of by-campus businesses for decades. First and foremost, Brinkman is assured that the real estate costs of The Drag are significantly too high for most businesses to operate. While operating Mr. Gatti's Pizza, he recognized the pains of operating on thin margins (characteristic of the pizza industry) compounded with the pain of exorbitant rent costs. With the Mr. Gatti's campus location on The Drag, his product was a price-competitive commodity to budget-conscious college students. He developed an understanding of how to operate a cost-conscious business that delivers affordable and high-quality food. Two of the greatest struggles of The Drag are the conditions of the streets and the seasonality of business. Echoing some of Lee Walker's wisdom, Brinkman believes the homeless population on The Drag deters foot traffic for students. Also, the winter and summer seasons remove the bulk of students from

campus, creating seasonal hits to customer traffic and revenues. All of Brinkman's insights lead me to the conclusion that capturing tremendous revenue from students requires strong loyalty and word of mouth marketing. Thin margins, budget-conscious students, poor street conditions, and seasonal student traffic can all be overcome by a loyal base of customers that share the business with their friends.

The last expert I spoke with in an effort to better understand the market factors on The Drag was Patrick Terry, founder and namesake of P. Terry's Burger Stand. Patrick has been operating his chain of fast-food burger restaurants in Austin since he and his wife co-founded the business back in 2005. Patrick has expanded his franchise to 20 locations with 16 of them being in the Austin area. As a result of P. Terry's status as a chain and a known brand in the Austin area, I will not consider the burger stand's Drag location in my analysis of small businesses. In addition to successfully founding and growing P. Terry's Burger Stand, Patrick also created a successful taco stand in Austin called Taco Ranch. Patrick applied similar tactics from P. Terry's in the creation of Taco Ranch, cooking with fresh ingredients and offering a simple menu like his burger stand. As a one-location business, Taco Ranch does not benefit from the same brand recognition and economies of scale that P. Terry's does. I asked Patrick Terry about Taco Ranch's tenure on The Drag because it operated more like a small business during its time. Taco Ranch had great difficulty gaining traction among the University of Texas student population. The location has since been converted to a P. Terry's, which does very well by contrast.

When considering the operating environment of The Drag, Patrick had many valuable insights. He noted there are a vast number of restaurant options both on The

Drag and across the street on campus. For instance, the Taco Ranch location (now a P. Terry's) is next door to one of the highest-producing Chick Fil-A's in the country and two doors down from a popular Cane's Chicken. The competition is fierce. Also, there is little to no parking for most storefronts on The Drag. Considering these two factors alone, we can conclude that the primary source of traffic for restaurants on The Drag is the student population on foot. With a student population as the primary restaurant customer base, value must be high and prices must be affordable for students living on tight budgets. On principle, Patrick Terry has always striven to deliver an affordable, good-value product for his customers at P. Terry's and Taco Ranch. He assumed the value proposition of Taco Ranch would work for students as it had for his original location's customers. Terry tried Facebook ads and hand-serving Taco Ranch samples to students on campus, yet did not see noteworthy changes. He quickly realized the difficulty of gaining awareness and popularity in this unique market. When I asked Patrick Terry how he cultivates Cultural Equity among customers, he explained to the best of his knowledge that it is a day-to-day process. He takes care of the customer in front of him as best as he can and believes that is the optimal strategy to create positive connections with customers over time. Patrick is also a firm believer in plugging into the community by giving back generously. All of this considered, P. Terry's found success on The Drag where Taco Ranch did not. P. Terry's benefits from a strong brand awareness and positive perception among Austinites, greatly aiding its viability as a restaurant option for students. The difference between Taco Ranch and P. Terry's on The Drag was not market need (college students eat a ton of tacos) or Patrick Terry's ability to run a restaurant effectively, it was customer connection.

My Objective

As a result of my expert interviews, I recognized the relationship between this unique operating environment and the value of forming meaningful connections with customers that result in cheap customer acquisition. With an extremely competitive landscape, it is difficult for businesses to stand apart from the noise. That is why I introduce the construct of Cultural Equity. I want to assess the phenomenon by which existing market adherents (e.g. incumbent students) choose to advocate for one firm to a new entrant, rather than to other firms. Cultural Equity as a quantitative metric represents the strength of self-sustaining word-of-mouth marketing in a culturally complex environment. It can also be connected with effective marketing strategies that successful small businesses on The Drag have employed to connect with customers. My analysis will focus on small businesses operating for 10 years or longer as successful and long standing. According to the U.S. Small Business Administration, roughly one in three new small businesses survive 10 years or longer. On The Drag, there are 11 businesses operating longer than 10 years, which can be considered the proven success cases. I will relate the strength of Cultural Equity among students for this success group with the specific tactics the businesses used to grow their brands. The market presence tactics in success cases will demonstrate successful cultivation of Cultural Equity, which may contribute to sustained competitive advantage on The Drag.

Historical Background

The Drag has been a culturally iconic retail row in Austin, Texas for decades. The Drag is a strip of Guadalupe Street between Martin Luther King Jr. Blvd and 29th street, dividing the University of Texas campus from “west campus” student living areas. With a captive audience of about 50,000 students walking to and from campus, this stretch of real estate is coveted, driving high rent prices. In addition to high rent, businesses operating on The Drag experience more operational challenges; the retail row is one-sided with no free flowing foot traffic and there is a notable homeless population presenting some safety concerns. This is not to mention the love-hate relationship these businesses have with student customers.

First, the Drag is a one-sided street with no free-flowing foot traffic between campus and retail stores. However, things were not always this way. Business expert and longtime Austinite Lee Walker mentioned the “Vietnam wall” in our conversation about running a business by campus. Looking at The Drag’s evolution over the university’s past, there is a notable history of protest on the UT Austin campus. In the 1960s, The Drag came into the national spotlight during racial integration. Two movie theaters were the subject of protest because they only served white patrons. (Nicar) Roughly a decade later, anti-war protests surfaced across Austin at the capitol building and on campus. The 1960s and 1970s represented an explosion of student activism, causing the university to take preventative action: “Antiriot landscaping and engineering were adopted in the early 1970’s, breaking up the large, open space both on the West Mall and inside the Student Union. A wall was built along Guadalupe.” (Burr) This wall

caused The Drag's one-sidedness. Significantly reducing foot traffic, the wall funnels pedestrians to campus via a few small crosswalks.

Second, the homeless population on The Drag decreases the retail environment's appeal for students. The University of Texas has no stake in The Drag with no realistic concerns for the success or failure of businesses. Only in recent years have student safety concerns with transients brought the university under fire for neglecting to extend campus security efforts to The Drag. In 2016, a UT freshman girl was murdered by a homeless person on campus and the university asked the state for security recommendations. (Weissert) According to my conversation with Michael Vaclav, founder of Caffè Medici, the homeless population on The Drag waxes and wanes, yet the university has little incentive to continually beef up security across the street in an "off-campus" area. The problem of homelessness combined with the one-sidedness of the street compounds issues for many businesses on The Drag. Students hurriedly pass by homeless folks to cross the street to or from campus and are funneled to a few crosswalks. As a result, students do not linger on The Drag, shopping around at stores or taking time to look at new restaurants. These operational challenges do not even mention the appealing, yet fickle primary revenue drivers for most businesses on The Drag: student customers. Students coming to campus are "blank slates", completely unaware of the small business landscape. Also, a quarter of the student population graduates each year. As a result, small businesses must re-acquire 25% of their customer traffic annually, assuming they have not significantly developed current customers.

Cultural Equity Explained

Introduction

As I analyzed the operating environment on The Drag, I noticed a couple distinct characteristics that led me to the creation of Cultural Equity. For one, the customer population on The Drag is such that the majority of businesses operating cater to most students on campus. As a result, brand awareness plays an obvious role in the recruitment of customers to the store. With students unaware of a restaurant, it has less opportunity to capture market share from other restaurants, regardless of food quality. This assumption would prove false for retail stores in my analysis. Going beyond a foundation of brand awareness, matters of product quality, market need, and positive customer experience come into play. I introduced a Net Promoter Score and the Out of Town Friend Metric in order to understand the degree to which successful market players are recruiting free word of mouth marketing (WOM) from their customers. Typically, Net Promoter Score (NPS) holds significance for businesses because it is a measure of customer loyalty. Promoters of your business will generally share their experience with friends. NPS is a great representative of the growth of a business and the loyalty of its customers. That being said, I added the Out of Town Friend Metric to Cultural Equity because I believe it represents the ultimate connection between a customer's consistent patronage and the free acquisition of new customers. In the case of The Drag, I assume that students limited to walkable options generally direct their business to The Drag, making it a somewhat insulated competitive landscape. For this reason, I am comparing the Cultural Equity data on The Drag for each restaurant to all other small restaurants and the data for each store to all other small stores.

Traditional Marketing Wisdom

Conventional marketing wisdom holds that businesses achieve success through the alignment of a value proposition with the needs of customers. If a business does not adequately create value for the right customers, communicating that value effectively, the business will fail. In this paper, I look into the complex nature of a dynamic, difficult operating environment: The Drag by the University of Texas at Austin campus. Like businesses everywhere, businesses operating on The Drag provide value to their customers by using the value equation below. Employing the four “Ps” of marketing, Product, Place, Promotion, and Price, a business provides value to customers:

$$Value = \frac{(Product) (Place) (Promotion)}{(Price)}$$

(Peterson)

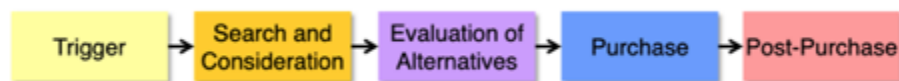
In all operating contexts, businesses must offer a product or service that meets customer needs, must serve customers in the right places through the correct channels, must promote their value to customers, and must set a price that makes customers value the product more than their money. Using these four “Ps”, businesses try to provide the most value to customers while making a sustainable profit. At a base level, businesses must fundamentally provide value to customers, regardless of the special circumstances of a complex operating environment. For small businesses on The Drag however, I would like to suggest promotion is more important than in many other operating contexts.

When a small business enters a new location, its target market of customers are unaware of its value proposition and existence because it does not benefit from wide

brand awareness like many large chain organizations do. In addition, if we assume that small businesses on The Drag serve a customer base of mostly students, consider that roughly 25% of student customers will graduate annually. Brand awareness and word of mouth marketing are rendered obsolete for 25% of the business' primary base of customers. This is not to mention the effects of school seasonality forcing businesses to make a majority of their annual revenues while classes are in session in the fall and spring. Cheaply acquiring new customers is crucial to success given these factors.

On The Drag, the rule is business failure after only a few years in operation. Success is the exception. Knowing that a business' failure on The Drag could be attributed to a number of operational challenges, this project focuses on success cases. My hypothesis suggests the importance of Cultural Equity to success for businesses that effectively create and deliver value to customers. Taking a look at the customer purchase process, Cultural Equity's value is self-evident.

Customer Purchase Process



(Peterson)

When a customer is aware of a business, shares that business with his or her friends, and expresses the business' cultural significance by campus, friends of that advocating customer are accelerated through the Trigger, Search and Consideration, and Evaluation of Alternatives phases of their purchase process. Automatically, the friend of the advocating customer understands the value proposition in the context of The Drag and is more likely to become a customer thanks to the trustworthy information. Cultural

Equity should represent a self-perpetuating means of customer acquisition.

Brand Awareness

Many students who come to campus for the first time are without a car. Their modes of transportation are usually restricted to walking, biking, and taking public transportation. This usually does not present any issues for students living on or by campus their Freshman year because all of their needs can be taken care of on foot. For this reason, businesses on The Drag feel they have a captive audience of new potential customers. As new waves of “blank-slate” students arrive at campus, incumbent businesses participate in a land-grab, trying to fill their customer pipeline for the next few years. In my conversation with Cabo Bob’s founder Don Brinkman, he expressed the desire for Cabo Bob’s to enter a customer’s short list of a few places they visit consistently. The research backs this up: “the number of familiar locations an individual visits at any point is a conserved quantity with a typical size of ~25 locations” (Alessandretti) When one considers the limited modes of transportation for freshmen in college, The Drag poses a small business battleground for capturing young student customers. To a small business on The Drag, the value of inclusion on a student’s short list of restaurants or retail stores is high; it could mean gaining a loyal customer for

years to come. Entering the activity set for one of these students begins with brand awareness.

As I originally set out to conduct a data analysis of retail and restaurant businesses on The Drag, I quickly separated businesses into two camps: large-chain vs. small business. For some obvious reasons, the challenges large businesses face when they open shop on The Drag are dissimilar from those challenges small businesses face. Colin Lewis, marketing strategist and CMO of OpenJaw Technologies, explains a key difference between operating a small vs. a large business; there are fewer resources for focusing on advanced customer communications. Lewis quotes Marketing Science professor Byron Sharp: “A lot of small businesses think a large chunk of their job is to tell the world why they should buy from them. But the biggest battle for small businesses, especially those starting out, is that people don’t know who you are and they don’t know how to buy from you.” (Lewis) Especially given the ephemeral tenure of students on campus, becoming known by early-college students is a necessity.

It is important to also note the value of brand awareness should differ substantially between retail stores and restaurants. For a retail store, market adherents must be aware of the products the business offers. Small retail stores often do not produce their goods sold, yet they must create awareness of their product offering for customers to understand their value proposition. C. Jane provides an illustrative example. The boutique must constantly alert potential and current customers about their ever-changing inventory via their Instagram account, website, and walk-in customer

service. Awareness for C. Jane involves not only alerting students of the store's existence, but also creating a dialogue focused on the product mix. In a piece of research assessing the habits of millennial retail shoppers, Rahman et al. said, "the more consumers experience a product, the more the awareness for that brand grows, which stimulates the consumer purchasing behavior." (Rahman) For this retail store, brand awareness is a dialogue that ideally fosters pull-through demand for products that directly fit customer needs. On the other hand, a mass-market restaurant or coffee shop's brand awareness mission might begin and end with alerting students that a good cup of coffee is sold along their walk to campus.

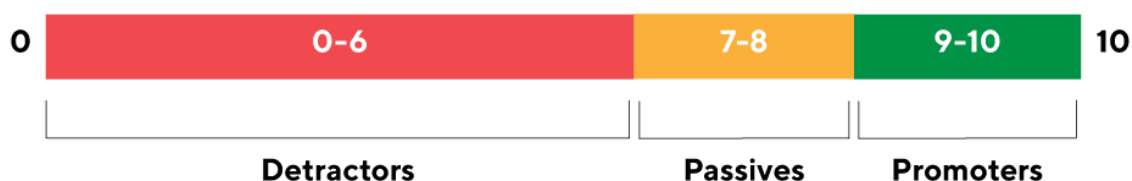
Introducing a small business to a target demographic can come through a variety of promotional tactics. Research indicates that work-site marketing and community involvement are two effective means of producing brand awareness. Milford Prewitt, a Freelance Business Reporter and Digital Media Consultant, wrote a 2006 article explaining work-site marketing. This tactic consists of delivering coupons and other promotional material directly into the hands of potential customers, focused on a target market. It can generate "substantial gains in customer frequency and brand awareness." (Prewitt) This approach to brand awareness seems especially beneficial for small businesses on The Drag trying to connect their brand and value proposition with students directly. As I will mention later in the case study section, all of the small businesses I interviewed employ this approach to spread the word about their business to target customers. For example, C. Jane places fliers and coupons in sorority dorms, Caffe Medici provides coffee samples and "free cup of coffee" coupons in dorms, Cabo Bob's puts fresh chips and queso in apartment building lobbies, and Kerbey Lane Cafe

gives away coupons in a popular student coupon book. Not only have successful businesses on The Drag utilized targeted promotional fliers, but also have invested time and resources becoming involved in the community (in this case, involvement is with students). A doctoral dissertation by Kevin Gibbons analyzes four successful small businesses operating on a seasonal model of customer traffic in the Midwest. Within, Gibbons proposes that brand awareness and community involvement are two essential components for combating seasonality of a business. (Gibbons) Amazingly, 100% of participants in his study found that their organization's involvement with the community positively grows the bottom line of their business by creating greater awareness among customer populations. Most significantly, my case study of C. Jane echoes this finding with the boutique's involvement in multiple fundraisers around campus each year. For instance, C. Jane provides clothing for the annual Panhellenic Guide and dresses models for a runway philanthropy event. At the end of the day, the effectiveness of these brand awareness boosting tactics will vary by the target market. My data indicate the relative brand awareness of successful small businesses by campus. Therefore, it can be assumed that the awareness-developing tactics of an organization contribute somewhat to the quantifiable brand awareness among the student population.

Net Promoter Score and the Out of Town Friend Metric

"The One Number You Need to Grow" is the Harvard Business Review article introducing Net Promoter Score (NPS). Created by Fred Reichheld, Bain and Co., and Satmetrics in 2003, NPS stands as a proven predictor of actual customer behavior and is strongly correlated with company growth among competitors. Reichheld claimed

customers will not recommend a company to a friend just to communicate the “good economic value” it provided them. It is more than that; customers that recommend a business to their friends “put their own reputations on the line.” (Reichheld) Net Promoter Score represents more than a good customer experience, it stands for the degree of loyalty customers will show toward a business and the strength of word of mouth marketing (WOM). In order to determine a business’ Net Promoter Score, the question must be posed to customers: “On a scale of 1-10, would you recommend this business to a friend?” On this scale, 10 represents a high likelihood of recommending to a friend and 1 represents a low likelihood. According to Reichheld’s research, customers that give the business a score of 9 or 10 are considered “Promoters”, 7-8 are “Passives”, and 0-6 are “Detractors”. Here is a visual representation:



(What is Net Promoter Score)

A business’ NPS is the percentage of Promoters minus the percentage of Detractors:

Net Promoter Score

$$= \frac{\text{Number of Promoters}}{\text{Total Number of Respondents}} - \frac{\text{Number of Detractors}}{\text{Total Number of Respondents}}$$

$$\text{Net Promoter Score} = \% \text{ Promoters} - \% \text{ Detractors}$$

Loyalty

Contrary to popular belief, customer loyalty represents more than a customer's repeated purchases. (Reichheld) There are instances in which a customer's need for a product decreases, yet they are still very willing to recommend that product to a friend. They will even stake their reputation on the quality of a company's value proposition through their recommendation, despite not being current consumers. For example, my parents have not lived in Austin since they were in college decades ago, yet they always make it a point to take the family to the original Kerbey Lane Cafe on Kerbey Lane. More directly, one can imagine the example of a University of Texas graduate who describes Wooten Barbershop as "the best spot for a haircut" their younger brother who is enrolling in UT next year. These examples illustrate persisting brand loyalty. The sharers would stake their reputation on sharing their experience despite not being current customers. It is the element of willingness to share customer experience, not necessarily willingness to repeatedly purchase, that dictates customer loyalty.

There are cases in which customers are not loyal to a company, yet are "trapped by inertia, indifference, or exit barriers erected by the company or circumstance." (Reichheld) For example, a customer who is dissatisfied with using the already-downloaded Internet Explorer may not switch their search engine simply because they do not know how to download Google Chrome or Firefox. In the case of restaurants and retail businesses, customers are not typically at the mercy of companies. Customers have the freedom to choose where to eat or shop without being tied down to one particular company by high exit barriers or switching costs. Therefore, loyal restaurant and retail patrons share their experiences with friends out of an abundance of approval

of the company.

WOM

When customers have positive conversations about a company with their friends and family, the company benefits from customer advocacy free of charge. As people are typically friends with similar people, they are likely to have similar customer needs. Considering traditional marketing wisdom, a company's value proposition must align with the needs of customers and must be communicated effectively in order to grow a business. When customers share their experience and the value of a business to a similar person with similar needs, customer acquisition is cheapened for the business. Friends of customers trust the recommendations because "they come from highly trusted and unbiased sources" (Karlíček) In fact, some studies indicate, "67% of consumer-goods sales in the USA are based on Word of Mouth" (Karlíček) As beneficial as positive WOM conversations can be for a brand, the opposite is also true. Negative experiences communicated through WOM can have lasting effects: "WOM produces significantly higher long-term customer acquisition elasticity." (Karlíček)

It is important to consider three factors of WOM discussions: where they occur, what they look like, and how one individual may be more influential than another. According to research conducted by Outbreak WOMonitor, nearly 50% of WOM discussions occur at home and 27% occur at school. (Karlíček) For students by a college campus, this research shows that 75% of WOM discussions occur with roommates, classmates, and friends at apartments by campus and on campus. Additionally, research from Outbreak also indicated that *positive* WOM discussions

represent a staggering 75% of all WOM discussions. People like sharing their good experiences more than their bad experiences. Both of these initial WOM insights point to the significant value of having brand advocates among customers; people are interested in sharing their good experiences with friends and family, providing companies with free marketing. Finally, not all WOM marketing is created equal. Although there is much disagreement about the true impact of such individuals, there are opinion leaders that represent roughly 15% of the US population. These people refer to almost twice as many brands as the average person. (Karlíček) Opinion leaders or influencers could be an opportunity for small businesses near college campuses to connect with new student populations.

Growth

It is no wonder Net Promoter Score is a strong indicator of top-line growth. Businesses with high Net Promoter Scores benefit from a loyal customer base that repeatedly share their positive experiences with friends, providing the company free marketing. Considering the competitive operating environment on The Drag, it is valuable to consider “the percentage of customers enthusiastic enough about a company to refer it to a friend or colleague directly [correlates] with growth rates among competitors.” (Reichheld) In this way, a strong Net Promoter Score acts like a competitive advantage, taking potential customers from other businesses.

The Out of Town Friend Metric

As NPS is a measure of the degree to which customers will recommend a business to their friends and family, the Out of Town Friend Metric is intended to represent an even stronger form of customer advocacy, possibly representing a business' standing as culturally iconic. We know customers stake their reputation on a recommendation to a friend; the Out of Town Friend Metric takes this a step further. When a student on campus sees a friend from out of town in Austin, they will often share their Austin experience. A high average Out of Town Friend rating indicates positive customer experiences, evident word of mouth marketing, customer loyalty, and a quantifiable cultural significance to University of Texas students. A higher degree of brand awareness implies a more accurate representation of the Out of Town Friend Metric because there are a greater number of respondents. Circling back to the characteristics of this operating environment, I found it most useful to consider a small business' Out of Town Friend score in comparison to other scores on The Drag. By ranking restaurants, a hierarchy of cultural significance can emerge among competing restaurants and retail stores.

Data Analysis

Through Professor Paul Green and his projects with the McCombs School of Business Behavioral Research Laboratory, I surveyed 225 students to assess brand awareness levels, NPS, and the Out of Town Friend Score for small businesses on The Drag. A 2008 piece of research from Naik, Prasad, and Sethi analyzed the importance of brand awareness for US businesses operating in "Dynamic Oligopoly Markets" such as the automotive industry. (Naik) With just a few large players in these industries, pure

brand awareness was found to be less relevant considering the competitive landscape. Instead, they looked at brand awareness of a company relative to the average in the competitive industry. I believe this logic can be applied to the competitive environment of The Drag, which is characterized by an insulated base of customers and a few small businesses vying for a share of the consumer's wallet. Restaurants will be compared to one another and retail stores will be compared to one another. They are ranked on the quantifiable scales of brand awareness, Net Promoter Score, and the Out of Town Friend Metric. As I ranked these businesses according to their average scores for these metrics, I also took an average of all three ranks for each business and re-ranked the businesses in the restaurant and retail categories according to the best average ranking for the three metrics. This re-ranking can be observed in the 'Average CE Rank' column of the Restaurant Rankings and Retail Store Rankings. Also, there are a number of small businesses that I excluded from my analysis because they provide an essential service to students (banks, the Co-Op) or they cater primarily to a non-student crowd (bars, hookah spots, etc.). A full list of small businesses can be found in the Appendix. Businesses highlighted in red were excluded and businesses highlighted in green were considered 'long-standing,' operating for longer than 10 years on The Drag.

Restaurants on The Drag

	Awareness Rank	NPS Rank	Out of Town Score Rank	Average Rank	Average CE Rank
Cabo Bobs	2	1	1	1.33	1
Texas French Bread	14	7	6	9.00	9

Jazmin's Cafe Taqueria	22	22	22	22.00	22
Poke Bowl	8	16	16	13.33	13
Taco Shack	12	19	14	15.00	16
Longhorn Pizza and Grill	18	21	20	19.67	20
Dirty Martin's Place	15	10	11	12.00	11
Abu Omar Halal	19	14	12	15.00	16
Kosmos	21	11	8	13.33	13
Halal Bros	3	2	3	2.67	3
Kerbey Lane Café	1	3	2	2.00	2
Moody's Kitchen and Bar	20	20	21	20.33	21
Kokodak	6	18	17	13.67	15
Left Wing	16	4	4	8.00	7
Caffe Medici	4	9	10	7.67	5
Teji's	5	15	15	11.67	10
Poke Bay	13	13	13	13.00	12
K-Bop	9	5	9	7.67	5
Look Noodles & More	11	17	19	15.67	19
Coco's Café	9	8	7	8.00	7
Pho Thai Son	16	12	18	15.33	18
Tapioca House	7	6	5	6.00	4

Restaurant Rankings

Ranking	Awareness	NPS Rank	Out of Town		Years in Business
			Score Rank	Average CE Rank	
1	Kerbey Lane Café	Cabo Bobs	Cabo Bobs	Cabo Bobs	13
2	Cabo Bobs	Halal Bros	Kerbey Lane Café	Kerbey Lane Café	41
3	Halal Bros	Kerbey Lane Café	Halal Bros	Halal Bros	11
4	Caffe Medici	Left Wing	Left Wing	Tapioca House	4
5	Teji's	K-Bop	Tapioca House	Caffe Medici	15
			Texas French		
6	Kokodak	Tapioca House	Bread	K-Bop	5
		Texas French			
7	Tapioca House	Bread	Coco's Café	Left Wing	0
8	Poke Bowl	Coco's Café	Kosmos	Coco's Café	10
				Texas French	
9	K-Bop	Caffe Medici	K-Bop	Bread	40
10	Coco's Café	Dirty Martin's Place	Caffe Medici	Teji's	0
	Look Noodles &				
11	More	Kosmos	Dirty Martin's Place	Dirty Martin's Place	95
12	Taco Shack	Pho Thai Son	Abu Omar Halal	Poke Bay	0
13	Poke Bay	Poke Bay	Poke Bay	Poke Bowl	0
	Texas French				
14	Bread	Abu Omar Halal	Taco Shack	Kosmos	0
15	Dirty Martin's Place	Teji's	Teji's	Kokodak	0
16	Left Wing	Poke Bowl	Poke Bowl	Taco Shack	25

17	Pho Thai Son	Look Noodles & More	Kokodak	Abu Omar Halal	6
18	Longhorn Pizza and Grill	Kokodak	Pho Thai Son	Pho Thai Son	20
19	Abu Omar Halal	Taco Shack	Look Noodles & More	Look Noodles & More	4
20	Moody's Kitchen and Bar	Moody's Kitchen and Bar	Longhorn Pizza and Grill	Longhorn Pizza and Grill	0
21	Kosmos	Longhorn Pizza and Grill	Moody's Kitchen and Bar	Moody's Kitchen and Bar	1
22	Jazmin's Cafe Taqueria	Jazmin's Cafe Taqueria	Jazmin's Cafe Taqueria	Jazmin's Cafe Taqueria	0

Restaurant Data Impressions

I believed that restaurants would be more representative of the value of Cultural Equity in a market like The Drag than would retail stores because they typically cater to larger target markets than do retail stores. This will become increasingly apparent in the C. Jane case study when I elaborate on the boutique's value proposition and narrow target market. From the onset of this project, I had my sights set on interviewing a few businesses: Cabo Bob's, Kerbey Lane Cafe, Halal Bros., and Caffe Medici. I knew from my time on campus these businesses were successful and long-standing, yet also understood them to benefit from positive word of mouth among students.

Unsurprisingly, all four of these businesses rank in the top five among restaurants competing on The Drag. There is evidently a relationship between the development of

Cultural Equity and the success of these businesses considering their high ranks in brand awareness, NPS, and the Out of Town Friend Score. I would be interested to see how successful Tapioca House is in the years to come, operating only four years and ranking #4 among restaurants in Cultural Equity. The most fascinating business I did not get to investigate was Dirty Martin's Place, the oldest business on The Drag. It was very difficult to reach them with their doors closed for an extended period due to the pandemic. An interview about their customer base would be helpful in identifying success drivers for a successful business that evidently does not cater to students, ranking #11 in CE. Another fascinating, long-standing business that I did not interview is Texas French Bread. Having been to this restaurant in the past, I do not believe it caters primarily to students like its across-the-street neighbor Cabo Bob's. Both Texas French Bread and Cabo Bob's are one block removed from The Drag, allowing them to more effectively serve customers from nearby neighborhoods. The data seems to agree with my hypothesis: Texas French bread has operated by campus for 40 years, yet ranks only #9 among restaurants on The Drag in CE.

Retail Stores on The Drag

	Awareness Rank	NPS Rank	Out of Town Average Score Rank	Average Rank	CE Rank
Lo-Fi Vintage	5	6	2	4.33	3
Resurrected Movies, Video Games & More	8	4	3	5.00	4
ATX1 Smoke & Vape	11	5	11	9.00	10

Diablo Rojo Tattoo	9	7	5	7.00	8
iClips Hair and Nail Salon	4	2	4	3.33	2
C. Jane	2	9	6	5.67	6
Miss Behavin	1	10	8	6.33	7
Wooten Barbershop	6	8	9	7.67	9
Alante Salon	7	1	7	5.00	4
1UP Repairs	10	11	10	10.33	11
Monkies Vintage and Thrift	3	3	1	2.33	1

Retail Store Rankings

Ranking	Awareness	NPS Rank	Out of Town Score Rank	Average CE Rank	Years in Business
1	<i>Miss Behavin</i>	<i>Alante Salon</i>	<i>Monkies Vintage and Thrift</i>	<i>Monkies Vintage and Thrift</i>	7
2	<i>C. Jane</i>	<i>Salon</i>	<i>Lo-Fi Vintage</i>	<i>iClips Hair and Nail Salon</i>	0
3	<i>Monkies Vintage and Thrift</i>	<i>Monkies Vintage and Thrift</i>	<i>Resurrected Movies, Video Games & More</i>	<i>Lo-Fi Vintage</i>	4
4	<i>iClips Hair and Nail Salon</i>	<i>Resurrected Movies, Video Games & More</i>	<i>iClips Hair and Nail Salon</i>	<i>Resurrected Movies, Video Games & More</i>	9
5	<i>Lo-Fi Vintage</i>	<i>ATX1 Smoke & Vape</i>	<i>Diablo Rojo Tattoo</i>	<i>Alante Salon</i>	0

	<i>Wooten</i>				
6	<i>Barbershop</i>	<i>Lo-Fi Vintage</i>	<i>C. Jane</i>	<i>C. Jane</i>	15
7	<i>Alante Salon</i>	<i>Diablo Rojo Tattoo</i>	<i>Alante Salon</i>	<i>Miss Behavin</i>	2
	<i>Resurrected</i>				
	<i>Movies, Video</i>				
8	<i>Games & More</i>	<i>Wooten Barbershop</i>	<i>Miss Behavin</i>	<i>Diablo Rojo Tattoo</i>	0
	<i>Diablo Rojo</i>				
9	<i>Tattoo</i>	<i>C. Jane</i>	<i>Wooten Barbershop</i>	<i>Wooten Barbershop</i>	29
	<i>ATX1 Smoke &</i>				
10	<i>1UP Repairs</i>	<i>Miss Behavin</i>	<i>1UP Repairs</i>	<i>Vape</i>	5
	<i>ATX1 Smoke &</i>				
11	<i>Vape</i>	<i>1UP Repairs</i>	<i>ATX1 Smoke & Vape</i>	<i>1UP Repairs</i>	0

Retail Store Data Impressions

As mentioned in the Restaurant Data Impressions section, I believe restaurants typically cater to larger markets than do retail stores. The narrower target markets of retail stores may render Cultural Equity irrelevant for some retail stores. I will elaborate on this conundrum in my C. Jane case study. In the case of Wooten Barbershop, the longest-standing retail store on The Drag, I was hesitant to include it in my Cultural Equity analysis because the business model of a barbershop is not comparable to that of a clothing store. Aside from Wooten Barbershop, C. Jane is the only retail store on The Drag that has survived for longer than 10 years. I assumed clothing stores see a larger volume of customers than do barber shops, indicating they cater to a larger market of customers. Catering to a large market of customers would increase the

importance of Cultural Equity to business success, according to my hypothesis. My assumption turned out to be incorrect; C. Jane has found success on The Drag for longer than 10 years despite having the #6 best CE among retail stores surveyed. Cultural Equity does not necessarily mean success for retail stores because retail stores are not in direct competition for the student population's share of wallet like restaurants seem to be. These retail stores create success through narrow target markets.

Case Studies

Introduction to Case Studies

Looking at the body of student data from research conducted through the Behavioral Research Laboratory at the McCombs School of Business, I decided to analyze a few organizations that evidently have cultivated Cultural Equity among the student populations. Some business founders and owners were disinterested in sharing their story. For instance, decision makers at beloved Halal Bros. have had unfavorable experiences with interviews in the past. Their team would only share, "we treat customers how we'd like to be treated and we are a family-owned business." For a business like Halal Bros. there is no indication they intentionally advertise or create specialized customer service experiences to grow their Cultural Equity. Plain and simple, they deliver a high-quality product offering and try to treat customers right. Other businesses were willing to share their experience entering and operating on the Drag in great detail, which is illustrated below. In each of a handful of case studies, I will begin by briefly assessing each organization's background and history, noting which elements of the operating environment emphasize the importance of Cultural Equity. Then, I will analyze the company's value proposition and its alignment with customer needs. Finally, I will identify connections between market presence tactics and the cultivation of Cultural Equity among student populations, qualifying the metric's significance to the business's success on The Drag.

Conversation with Cabo Bob's Founder Don Brinkman

Company Overview and Background

Founded in 2008, Cabo Bob's Burritos has seen great success in Austin, TX. With four Austin locations, one Houston location, and one San Antonio location, Cabo Bob's has begun expanding into new markets around the state of Texas, capitalizing on a seemingly ubiquitous love of tacos and burritos. The burrito stand's first location was on Ben White Boulevard in south Austin. After seeing success, owner and founder Don Brinkman decided to expand. In 2013, Cabo Bob's opened its second location within walking distance of West Campus, the student housing hub for The University of Texas. The average survival rates of small businesses indicate that few business founders are fully prepared to open a first location that is successful. Opening a second location can present a similar, but different challenge than opening a first location. In the case of Cabo Bob's, the customer population at the original Ben White location is totally different from its second location by campus. The first store sees customer traffic from nearby neighborhoods and from the intersection of I-35 and U.S. 290. The latter caters to a massive student population at The University of Texas. Cabo Bob's founder Don Brinkman had rich experience opening and operating multiple restaurant locations while he served as the president of Mr. Gatti's Pizza, which had 350 locations at the time of sale in 2004. Clearly, Don's experience scaling Mr. Gatti's Pizza helped him approach a new market by campus for Cabo Bob's.

During our conversation, Don mentioned a few factors he considers significant challenges operating a business on The Drag. For Cabo Bob's, the cost of rent is extremely high by campus, location is the key to appealing to different customers, and

seasonality presents an annual battle. First, rent costs are consistently exorbitant by campus. Reflecting on my conversation with Austin business expert Lee Walker, he noted that the Cabo Bob's location was "cursed;" for many years, different businesses tried and failed to survive at this spot. Despite many businesses failing in this location, new businesses would quickly move in to try to make ends meet. Cabo Bob's found success after a string of failures, recognizing the ongoing challenge rent would present in the restaurant's future. Second, this particular location is not exactly on the retail row of The Drag, it is one block removed. Part of the appeal of The Drag is the immense foot traffic. Students commute by businesses operating on The Drag every day in route to class, so paying relatively inflated rent prices without the benefit of foot traffic appears counter-productive. Instead, Don determined the location of his shop would be to his restaurant's advantage because he could cater to students living in West Campus, as well as to families in the neighborhoods nearby. Thankfully, the Cabo Bob's value proposition caters to student customers and families. Don believes that if his business was situated directly on The Drag, he would be unable to cater to families. Finally, like many businesses on The Drag, Cabo Bob's experiences seasonality with the student presence on campus. With a low brand awareness during the first few years, the effects of seasonality were more significant. Yet, developing a customer base beyond student foot traffic has been a key to offsetting the effect of student absence during the winter and summer breaks. Don says that when students leave campus, he sees more families flocking to the store. For Cabo Bob's, developing a consistent customer base over time has been the key to overcoming these operational challenges.

Value Proposition

Upon opening that second location for the burrito stand back in 2013, Don Brinkman said their three main focuses are offering a feasible price point, producing good food, and taking care of the customer in front of them. There are many taco and burrito offerings in Austin, TX, yet Cabo Bob's has managed to differentiate with attention to a few important details. Looking first at price point, Brinkman made the observation that the burrito and taco business does not operate on quite as thin margins as the pizza business, so he felt it crucial to offer their tacos at a reasonable price. For student populations, price sensitivity is a serious issue for customer retention. A burrito will run you between \$7.00-\$8.50, depending on your choice of meat. This price point is very comparable to competitor Chipotle, yet avoids being bank-breaking for the average college student. Also, Cabo Bob's uses a punch card system. When you buy six burritos, your seventh is free, a 14% discount. Brinkman says he has observed groups of seven boys coming through the line and all punching the card so that one guy eats free. It seems that Cabo has found a price point that keeps them profitable and keeps customers coming back.

As far as producing good food is concerned, Don Brinkman believes Cabo Bob's quality is the pride of the restaurant and the fundamental driver of success. For one, they have a tortilla pressing machine and a rotating grill that collaborate to make each customer's tortilla fresh right in front of his or her eyes. There are no other taco and burrito selling companies in Austin, TX that press tortillas on a made-to-order basis, making this a unique component of Cabo's value proposition. Additionally, Cabo Bob's gives customers their pick between four different types of tortillas. The tortilla approach

of the company is a first step in their value proposition because it indicates the freshness of ingredients and the personal journey that is burrito construction. To continue this trend of freshness, they have signage in-store indicating the locally sourced produce used in their burritos. To belabor the point of customization beyond the unique tortilla flavors, Cabo Bob's offers a Chipotle-esque set of options to put into your burrito. Between the unique tortilla-making, fresh ingredients, and customized product, Cabo Bob's has guaranteed the quality of their food. Knowing product quality is his business' bread and butter, Don believes delivering that quality in-store is highest priority.

There are a couple important factors outside of price point and food quality that go into taking care of Cabo Bob's customers. First, unlike most business locations on The Drag, Cabo Bob's has a parking lot for customers and is located a street away from bustling Guadalupe Street. As a result, Cabo's customer base is not limited to only foot-traffic from students, but includes families in nearby neighborhoods. Don noted that the summer of 2013 was especially slow, their campus location having a low brand awareness and many students leaving Austin when school was not in session. Yet, by the summers of 2015 and 2016, Cabo Bob's did not experience virtually any summer seasonality. The restaurant serves no alcohol and the atmosphere of the restaurant is safe, vibrant, and family-friendly. He said, "If the campus location was up the road 100 yards, we would not cater to families as effectively." Location could be one of the keys to Cabo Bob's success. One similar situation on The Drag is Kerbey Lane Cafe, boasting a similar large parking lot. In addition to location, the in-store experience stands as a primary value communicator for customers. The restaurant is kept very

clean and there are painted murals demonstrating the easygoing spirit of the restaurant. Outside, you can find a bunch of picnic tables in a covered, screened-in patio space. The large tables are accommodating for families and large friend groups alike. On a final note about serving the customer, Cabo Bob's has striven to create good experiences for all customers. As a personal example, one evening I was seated in Cabo Bob's eating with a friend when they experienced an unexpected power outage. Considering their technology and food safety of the situation, they were unable to serve any more customers and had to remove all patrons from the shop. Before we could leave, an employee walking around gave everyone free chips and queso coupons as an apology, even though many of us were already eating our meals.

As Cabo Bob's offers a feasible price point, produces high-quality food, and takes care of the customer in front of them, they are making their customer population sustainable. Knowing the student population is price sensitive, Cabo Bob's has established a price point that will keep customers coming back. Knowing that customers value a unique cuisine experience with a specialty tortilla pressing machine and customer burrito construction, the restaurant has created an experience customers are likely to enjoy. Knowing that maintaining a comfortable and safe atmosphere of the storefront and providing unique customer service moments help shape customer perception of the brand, Cabo Bob's has catered to families and fostered positive word of mouth marketing. Don has primarily communicated the value of his business through in-store experiences, yet this was not always the case.

Market Presence Tactics

When Cabo Bob's arrived by the University of Texas' campus, they knew the student population would represent an important percentage of their business. They also knew that the location would experience a great deal of seasonality not only during the summer months, but also during the winter. As a result, Cabo Bob's was tasked with survival: growing a loyal customer base by increasing brand awareness and then delivering their value proposition in the restaurant. To get the word out about the burrito stand, Don used a few key tactics: he brought free samples into college dorms, used an on-campus influencer, and gave branded cups to all drink-purchasing customers. Don also recognizes the strengths of his business and will not focus on delivery as a result.

For the first few months on campus, Don made a point to put his product in the hands of prospective customers. He knew that students living in West campus love free food and coupons, so he gave it to them. Going from dorm to dorm, Don wanted to target younger students who he knew would be around campus for the next few years. With success at the Ben White location, Don knew the product quality would speak for itself and would get students in his store. It was not long until these samples and coupons created a loyal following of Cabo Bob's customers. In fact, Don repeated this tactic early each fall for the first three years by The Drag. After three years, the burrito stand's customer base was a self-propelling customer acquisition machine. He no longer saw a need to provide students those free samples.

During our conversation, Don mentioned one fascinating idea he paraphrased from a piece of research he read long ago. "People only visit about 15 places on a regular basis." I did a self-evaluation; if I want to grab food, there are only a handful of places that I would go. I believe customer groupthink uses the same availability heuristic

to sort through options. When a group of college students in West Campus need to go somewhere to eat, what options come to mind? Sensibly, I imagine proximity, quality, and price are important factors for this decision. How do the opinions of one individual in the group influence the whole? This brings me to Cabo Bob's early use of an influencer on campus. In recent history, many businesses have seen incredible growth as a result of influencers. Social media is filled with promotional plugs from celebrities and influencers, and the restaurant industry is no exception. The story of Cabo Bob's strategic use of an on-campus influencer begins with Dax Benkendorfer. A childhood friend of the Brinkman family, Dax grew up in Austin, TX, bleeding burnt orange. He went to the University of Texas from 2014 to 2018 and left his mark as an outgoing, involved contributor. He served as the president of his fraternity and held a revered spot as a 'Handler' for Bevo, the UT Longhorn. Dax made an ideal influencer simply because he is influential. He knows a lot of people in a variety of social circles, he is very well-liked, and he is enthusiastic. To recruit his one and only influencer, Brinkman instructed Dax that anytime a group wants to go grab a bite to eat, he should convince the group to eat Cabo Bob's. More often than not, he did. The influencer cost to the restaurant was a mere \$300 monthly and Cabo Bob's reaped the benefit of delivering their full value proposition to young college students week in and week out. According to Brinkman, the word of mouth advocacy from Dax Benkendorfer helped Cabo Bob's gain a noticeable foothold in the student population.

Another significant market presence tactic for Cabo Bob's is their branded cups. For any restaurant patron who has purchased a soda, they receive a complementary Cabo Bob's plastic cup. As a natural consequence, many of these cups end up on the

apartment shelves of students living in West Campus. According to my construction of the Cultural Equity metric, brand awareness is a first step in developing meaningful connections with blank slate students who enter the university with little to no conception of the small business landscape. Back when Cabo Bob's opened its first location on Ben White Boulevard in south Austin, Don experimented with a few traditional advertising channels like billboards to try and increase brand awareness. He ultimately felt like these tactics were a waste of effort and resources, there being little to no apparent effect on revenue or customers. Approaching brand awareness at the campus Cabo Bob's location, Brinkman felt it could be more useful to put billboards in the cupboards of customers via branded cups instead of pushing advertisements in students' faces.

Wondering about the importance of adjusting to changing customer needs, I asked Don Brinkman about whether or not he has observed customer evolution. Food delivery, for example, has seen tremendous growth as evidenced by the growth of applications such as DoorDash, GrubHub, Postmates, and many more. Also, considering the effects COVID has had on consumer habits and restaurant openness, I wondered if Cabo Bob's had made any adjustments to meet its customers' needs in new ways. Don Brinkman's response surprised me. He claimed, "delivery customers don't become in-store customers." Harking back to the Value Proposition section, Cabo Bob's number one priority is to focus on the customer experience of the people who walk in the door. If those customers are satisfied, Don believes Cabo Bob's will stay in business. There are a couple of takeaways from this idea. First, Don believes that it is extremely difficult to replicate the Cabo Bob's value proposition when they have no

control over the delivery process. He cited the example of a delivery person grabbing a couple meals from a couple different restaurants and delivering them all in West Campus to students, which could mean that your burrito is cold and soggy by the time you get it. Second, if the delivery company messes up an order, the negative customer experience reflects on Cabo Bob's and not the delivery partner. Third, Don believes that the customers who walk through the doors are the customers that will tell their friends and family about their experience and will come back for more. If Cabo Bob's wanted to totally control the customer experience through delivery, they would be forced to build a delivery system internally, which is not out of the cards for an ex-pizza executive like Don Brinkman. Yet, the most integral part of the Cabo Bob's approach to market presence will remain delivering value in the store.

Case Study Takeaways

Cabo Bob's caters to a large market: the majority of students on campus and families in nearby neighborhoods. When the target market of a restaurant is large, population-wide brand awareness and population-wide customer advocacy increase in importance. Cultural Equity for Cabo Bob's provides evidence of their success by campus; it shows the strong degree of brand awareness and customer advocacy within the student population. As far as cultivating Cultural Equity is concerned, Cabo Bob's tactics have not always remained consistent. Upon arrival by campus, the burrito stand was focused on getting their product in the hands of students with free samples and on connecting with students personally through the use of their influencer. Having seen success for over a decade by The Drag, Cabo Bob's primary focus is on delivering the best possible value to their customers in-store. At this point, the train is rolling. Creating good customer experiences will continue to grow the word of mouth marketing for Cabo Bob's among new populations of students.

Conversation with Kerbey Lane Cafe CEO Mason Ayer

Company Overview and Background

In May of 1980, Kerbey Lane Cafe opened its doors to sell comfort food in central Austin. The business was open 24 hours, and its location was near enough to campus (less than three miles) that it attracted many student customers. Over the next couple of decades, the restaurant's following grew, its brand representing high-quality, locally-sourced, home-style cooking. In the year 2000, two decades after the original location opened, Kerbey Lane Cafe decided to open a by-campus location across the street from The University of Texas at Austin. I spoke with Mason Ayer, the son of Kerbey Lane Cafe's founders David and Patricia. Today, he operates the restaurant chain as CEO. As a result, Mason Ayer has watched and helped Kerbey Lane Cafe evolve, grow, and iterate to become a more efficient organization over the years. Although Kerbey Lane Cafe had experienced tremendous success with their 24-hour breakfast and late-night dining model at the original location, the entrance to The Drag proved difficult at first. With roughly 25% of students leaving campus every year, Kerbey Lane's primary customer base constantly turns over. Mason Ayer believes one essential key to thriving on The Drag is to establish a brand presence among students.

Analyzing the operating context for Kerbey Lane Cafe is crucial to understanding the value Cultural Equity creates. Numerous factors contribute to a difficult operating environment for Kerbey Lane Cafe such as the turning over student populations, seasonality of student presence, changing student preferences, exorbitant rent costs, and scheduled labor adjustments. Unlike most small businesses on The Drag, the Kerbey Lane Cafe brand was established decades ago in the Austin area. Yet, a

majority of new students that come to campus are blank slates, completely oblivious to local restaurant and retail brands. On a biannual basis, some students enter campus for the first time, while some incumbent students permanently leave campus. That is why Kerbey Lane often extends brand awareness efforts to new students that enter campus. It is imperative that they connect with new waves of students who are unaware of their cafe. With a strong brand established, Kerbey Lane can rely on positive word of mouth marketing to develop an awareness of and interest in their brand. When a student population becomes aware of and promotes a business (represented by a strong Cultural Equity rating), less energy and resources are required of the business to create brand awareness. As shown in my data sample, Kerbey Lane Cafe benefits from a significant degree of Cultural Equity among students on campus. In addition to the student cycling issue, Kerbey Lane Cafe experiences student traffic seasonality. Ayer recalled the significance of the seasonal customer traffic problem when Kerbey Lane first entered The Drag: "I'd be back visiting from (college) and there'd be three tables in the restaurant on a Thursday or Friday night." Although he observed there are more students on campus now during the summer and winter months than in years past, the cyclical ebbs and flows of demand present a strain on all businesses operating on The Drag, even successful Kerbey Lane Cafe. The effects of seasonality means Ayer's cafe must capitalize during the semester when students are living by campus in order to compensate for depleted revenues during winter and summer breaks.

While the constantly turning-over student population and seasonality of customer traffic present uncertainty and inconsistency, so do changing consumer preferences. Kerbey Lane has not significantly altered their operations, yet year over year sales have

declined since 2016. In my conversation with Davis Ayer, he said,“(Customer traffic) is not as good as it used to be. Gen Z is not Gen X, and they are not out and about as much.” Ayer believes changing consumer preferences are to blame. One hypothesis says students now have a greater number of restaurant and retail options than ever before with the growing prevalence of Uber, Lyft, and electric scooters. Another possible explanation claims younger generations are more interested in ordering remotely and using delivery services as opposed to visiting stores. The data seems to back up this hypothesis, with digital ordering and delivery increasing 300% faster than traditional dine-in from 2014 to 2019, and 55% of college-age people 18 to 24 years old ordered food online in 2018. (15 Delivery) The growth of food delivery among college-aged people presents a huge opportunity for Kerbey Lane Cafe to connect with customers, but it also changes the competitive landscape. Newer generations of students are likely to be overwhelmed with the restaurant options in the market. With other by-campus restaurants competing for share of each student’s wallet via food delivery businesses, strength of Cultural Equity stands as a reputational foundation in an increasingly commoditized industry. Strong Cultural Equity can help a business stand apart from the competition because it represents population brand awareness and trustworthy recommendations from student to student.

In addition to observing a shifting customer landscape, Ayer recognized the difficulty of exorbitant rent costs on The Drag. He pointed out that it is not up to landlords to empathize with the business impact of turning over student populations, seasonal student traffic, and changing consumer habits. Rent remains high because businesses are willing to pay and The Drag is appealing with its proximity to the

University of Texas campus. Razor thin margins are typical in the restaurant industry, however, Ayer noted the impact of rent on The Drag: “We pay more for (the Drag location) lease than for any other lease in the entire system.” Kerbey Lane experiences rental rates of roughly \$30/square foot at most locations, yet retail spaces on the Drag pay anywhere from \$60 to \$90/square foot. With this in mind, Mason looks at the first five years of operation by campus and considers Kerbey Lane fortunate to have survived the seasonality of student presence, exorbitant rent costs, and scheduled labor adjustments.

Value Proposition

As mentioned previously, the Kerbey Lane Cafe value proposition consists of providing high quality food comfort food for customers. As it is a cafe-style restaurant, Kerbey Lane appeals to a very wide audience. The Kerbey Lane on The Drag appeals to an older crowd of Austinites that are brand loyal and traditionally caters to day and late-night student customers. Looking first at the adult target market for Kerbey Lane, the parking lot is tremendously important for creating an accessible restaurant environment. Without the large parking lot, Kerbey Lane would be completely unable to service customers who are not on foot given the extremely limited street parking options in the vicinity. While I interviewed Mason, he mentioned that the lady sitting nearby to his right had been a weekly customer for over two decades. The brand has a tremendous following in the adult target market. For the student populations, Mason believes providing deals and a generally affordable price point are important to capturing customers. Students are more fickle customers than Austinite adults, yet they

represent a significantly higher volume of business than the adult population annually. I mentioned the decline of revenues and late-night business in the past few years, yet for decades, the restaurant could expect to be packed in the earliest hours of the morning. The quality of Kerbey Lane's food offering and the hours of the restaurant has not changed, the customer has. Communicating the value proposition with customers is increasingly important, as is adjusting the business model to accommodate consumer changes. In order to grow the student following of Kerbey Lane Cafe, Mason has employed a slew of market presence tactics.

Market Presence Tactics

Customer loyalty is a crucial success factor for Kerbey Lane Cafe, especially when students are on campus. Mason has employed social media campaigns, spruced up The Drag location, and has introduced a loyalty program in an effort to better connect with students on campus and to cultivate some degree of cultural equity. Occasionally, Kerbey Lane uses social media campaigns on Instagram and Facebook to attract student customers to the restaurant. The content of these posts usually include promotional discounts and display new product offerings. Mason believes the strong and proven value proposition of the business should help perpetuate customer advocacy if he can only get students in the store. He said, "Word of mouth is going to travel a lot faster in a dorm room than it is in the neighborhood over there," demonstrating his desire to first capture freshman students who will be on campus for years to come. It is difficult to measure the true impact of promotional efforts with a cycling student population, because an ideal metric would measure the growth of

Cultural Equity. Supplementing the social media attempts to connect with student customers on campus, Mason had an artist paint a mural on the wall of his shop, saying 'I Heart Queso.' Hopefully such a mural will encourage young customers to post about their Kerbey Lane experience on social media to encourage word of mouth marketing.



(Brown)

In addition to the creation of a mural, Mason had the restaurant repainted with University of Texas-colored burnt orange paint. These changes will hopefully help Kerbey Lane connect with more students on campus, increasing brand awareness and customer advocacy. I previously mentioned the adult population that flocks to Kerbey Lane Cafes around Austin. They are aware of the brand, know all about Kerbey quality, and are loyal customers. In an effort to foster loyalty among the population of students, Kerbey Lane Cafe has recently created a loyalty rewards program. Again, with a student population that turns over constantly, developing a loyal base of customers is essential for survival.

Case Study Takeaways

“Maybe the guest isn’t always right, but it’s your job to make it right for them.” - Mason Ayer. I was most impressed with Mason’s deep interest in the needs of his customers. He took over a very successful brand his parents founded decades ago, yet recognizes the competitive conditions that can sabotage what stands strong today. Especially considering the countless challenges of operating a business on The Drag, it is essential for Kerbey Lane to stay on top of the needs of the student population. If the needs are changing and fewer customers are coming into the store late at night, Mason recognizes that other hours of the day need to compensate for lost late-night traffic. Furthermore, Mason understands that breakfast food does not travel very effectively, so his promotional efforts attempt to get more customers in the store. At the end of the day, Kerbey Lane Cafe has stood as a staple restaurant on The Drag, helping define the retail environment. In order to continue to define this space, it is essential that the restaurant makes meaningful connections with the student population. Students who know about Kerbey Lane and have positive experiences are likely to share that with younger generations of students, which can create a more loyal base of customers by campus.

Conversation with C. Jane Owner Kat Key

Company Overview and Background

Since its entry in 2006, C. Jane has been an iconic fashion boutique on The Drag. The original founders of C. Jane were Julie Kopp and Kara Crow Hatch. The mother-daughter duo had strong experience in the retail and fashion industry on the west coast, and brought that insight to Austin when they founded C. Jane. In May of 2019, family friend of the founders and current owner Kat Key purchased the business. Kat has a similar background in west coast style and fashion, having spent a number of years in California working in retail after graduating from The University of Texas. Years before the birth of C. Jane, this location on The Drag was a By George, a reputable fashion boutique in Austin. This location on The Drag has long held its position as the upper-end fashion authority by campus. Other boutiques on The Drag like Miss Behavin represent a lower price point. For years, C. Jane has been laser-focused on a target market: sorority girls living in West Campus. The connection between the C. Jane brand and Greek life began with its founders' connection to the Chi Omega sorority. When Kat purchased the business, she created a continuity with the connection to Greek life as she is a member of the Pi Beta Phi sorority. In my conversation with Kat, I was most fascinated by C. Jane's reach and influence within its target market. C. Jane customers come from all different walks of life and are connected with the business in a variety of ways.

Considering the operational challenges that affect C. Jane presently, the most significant are the location, the effects of the pandemic, and the seasonality of traffic. Looking first at location, the boutique is situated only a few doors down from the

intersection of 24th street and Guadalupe street. This spot is a main foot traffic thoroughfare for students commuting to and from campus. C. Jane's location is prime for student foot traffic, and Kat pays for it with a high rent cost. Along with the benefits of a prime foot-traffic location come negatives. The location is heavily affected by the panhandling homeless population that roams The Drag. Kat described the homeless problem as an ebb and flow. There are periods of time when bicycle cops frequently patrol the street and make The Drag safer and more comfortable for students. When the patrolling presence is absent, the incidences of tagging and graffitiing increase. The safety of the street correlates to the flow of foot traffic in Kat's observation. With C. Jane's location having virtually no parking aside from some street spots common to all, this student foot traffic is crucial for business. Knowing the homelessness problem and its effects on foot traffic, C. Jane highly values loyal, repeat customers because the flow of random pop-in customers walking by the store is often subject to environmental factors of the location of the business. In addition to the homeless population problem, the COVID pandemic has had a tremendous negative impact on foot traffic. Students are not commuting to campus with mostly online classes. For example, summer orientations were totally canceled with COVID, which typically generate a large amount of revenue. Throughout the pandemic, C. Jane was forced to cut costs by temporarily closing, using an appointment-only model. Also, UT football games typically bring large crowds of potential customers to town. The cancelation of game days for Texas football in the Fall of 2020 was a huge hit to traffic. On Texas game days, Greek organizations have events with families. Out-of-towners and Austinites living in suburbs have reason to flock to campus and stop by the store. Kat described Texas football game days as

huge for her business. A return from COVID would help restore the lost foot traffic, yet the pandemic has forced her to rely on existing customer connections. Lastly, C. Jane experiences a lot of seasonality in their business. Like many Drag businesses, C. Jane experiences substantial traffic decline during summers and winters. I was interested to learn that many of C. Jane's summer and winter customers are Austinites who shopped at the store in high school and went to college outside of Austin. Many of these other-university customers return home for the holidays and provide some business traffic, evidence of the strength of loyalty for C. Jane. All things considered, C. Jane experiences a number of challenges operating on The Drag, emphasizing the immense value of acquiring and keeping loyal customers.

Value Proposition

The key to C. Jane's market alignment and success begins with a deep understanding of their customers' needs. C. Jane's customer base is not a large pool of students on campus. For this reason, Cultural Equity on a campus scale ineffectively describes the boutique's connection with its customers. First, it is a women's boutique. A majority of men on campus do not care about the business, and C. Jane will never focus on them as potential customers. Second, the high price point and curated brand selection alienates the majority of female students on campus. Kat has capitalized on being a good listener and knowing her target market; C. Jane only carries high-end brands that are in demand among some Greek-affiliated girls. As previously mentioned, both the original founders of C. Jane and the current owner Kat have connections with Greek life on campus. The business has a keen understanding of the schedule of

events for sororities and fraternities on campus, knowing the dates of parents' weekends, formals, date events, and philanthropic events. Anticipating these events is the key to carrying the right products for customers and for customizing marketing messaging for their social media, flyers, and magazine promotions. Kat noted that an important part of her business is exclusivity of brands carried. For instance, C. Jane may be the only boutique in Austin, TX that carries a small-scale designer brand out of southern California. Customers will travel from far and wide to buy. Adding on to this, customers will frequently contact the store by phone or Instagram direct message to put a specific product on hold or to purchase it directly and have it mailed.

Not only does C. Jane focus on having the right products in its inventory all the time by anticipating the needs of customers, but the store also tries to create the best possible shopping experience. Kat wants her store to be a one-stop shop where customers can find all items for a particular outfit because she knows that young women often shop for particular occasions like a formal or graduation. One illustrative example of creating a great customer service experience tailored for an occasion is during a sorority parents' weekend. During these high traffic weekends, Kat understands that many girls will enter the store with their parents. She puts out refreshments and snacks for customers and provides in-store discounts that help convert visitors to paying customers. During our interview, it was immediately evident Kat and her employees give customers high priority. Each new customer is greeted upon entry and is given personal assistance finding what they need if they would like help. On multiple occasions during our conversation, Kat left and went to help customers directly.

One common thread throughout my entire interaction with Kat was her focus on customer needs. If her customers were not satisfied, she was not satisfied. No, not every customer who walks into C. Jane will be a paying customer today or necessarily in the future. But, if the business can create meaningful engagements with its customers and potential customers, it has the best chance of creating meaningful relationships. These relationships form the backbone of C. Jane's business. Relationships with customers cultivate loyalty and high-satisfaction experiences that generate free word of mouth marketing. Keep in mind that C. Jane operates within narrow windows: employees and customers are only on campus 2-4 years at a time. Creating a loyal base of customers is essential for keeping the pipeline full. Her employees and loyal customers spread the word about C. Jane's value proposition with younger sorority girls. Although C. Jane does not rank very highly among retail businesses on the Cultural Equity assessment I have conducted, it seems my analysis is not targeted enough to demonstrate the strong awareness and customer advocacy C. Jane benefits from among its target customer groups. In order to properly assess the Cultural Equity of this business, a focused survey within target demographics would speak more accurately into the brand awareness and customer advocacy of C. Jane than a full population measure.

Market Presence Tactics

C. Jane focuses on the customer journey in order to connect with customers and cultivate a cultural following among students, which seems like a more targeted version of growing Cultural Equity. Conventional marketing wisdom speaks of STP strategy:

businesses ought to segment their customers into defined groups, target customer segments specifically, and positioning the brand in the minds of the consumer to align the value proposition of the business with the needs of customers. Each customer journey at C. Jane looks different, but there are some common points of product, place, and promotion that connect different segments of University of Texas sorority girls, local high school girls, and even out-of-town girls all shopping at C. Jane.

To target C. Jane's primary customer segment of college sorority girls, Kat knows where many target customers live their first year at The University of Texas. They live in Hardin House, Scottish Rite Dormitory, and Calloway. Kat connects with these living spaces in an attempt to capture customers at the onset of their college careers. C. Jane puts out fliers and promotional material including discounts to get girls in the store and generate initial brand awareness. Targeting sororities further, Kat said, "We do all the photos for the Panhellenic guide." The Panhellenic guide is read by every potential new member (all girls participating in the rush process) coming to campus. Through this photoshoot, Kat introduces some students in C. Jane's target market to the boutique. In this way, she knows exactly where to put fliers and discounts to spread the word about her store. All of this targeting serves to grow a brand awareness of C. Jane. Not every sorority girl on campus has customer needs that align with C. Jane's value proposition, yet the brand awareness is extremely high, and Kat already has focused on creating optimal customer experiences in-store. Cultural Equity assists Kat in this process of reaching potential customers because brand awareness efforts are set in motion early. The word of mouth marketing between girls seems like the conversion point. For this

customer segment, Kat's greatest focus is on awareness. She allows positive customer experiences to grow her brand among the college sorority girl target market.

The second and third major segments C. Jane targets consist of local high school girls in Austin and out-of-town girls who have a knowledge of the C. Jane boutique. The high school girls live in all different parts of Austin and typically have to commute to campus in order to see products in the store. For obvious reasons, the out-of-town girls cannot easily visit the store to see available products. While on-campus sorority girls can walk into the store at will, Kat knows that The Drag has little to no parking options for commuting customers. For this reason, Kat takes an omnichannel approach to deliver customer value. She wants to meet customer needs regardless of whether they live a couple blocks or a couple hundred miles from the store. Initially, she tried using a website to show what products and brands are available. Kat turned away from this strategy eventually, saying that running a full online store did not make much sense logistically for her. Instead she has resorted to an Instagram page. Kat said target customers in both the high schooler segment and out-of-towner segment "will recognize the brands we carry and they have the ability to pay for them." Instagram helps C. Jane communicate with Austin high school girls and out-of-town girls in her target market (as well as her college sorority girl market). The younger employees know how to post products effectively on the page. C. Jane uses discounts and Instagram paid promotions for targeting. Also, customers in-store will try items on and occasionally get tagged by the Instagram account to further spread the brand's awareness virtually. With an Instagram strategy, Kat can show her target customers what brands and products C. Jane is carrying at the moment, and can leverage the exclusivity of her brands. She

does not need to deal with complicated online payment systems and the transactional nature of online stores, but instead can focus her energy on a relational business model.

When a local high school girl or out-of-town girl browses the Instagram page, they might find a product they like or have a question. Next, they can call the store to put the product on hold or get their questions answered. This engagement forms a customer relationship whether they make the purchase or not. C. Jane creates strong relationships by connecting with customers through personal phone calls. Each customer has different needs and can get those needs met through a personal relationship with Kat or one of her employees. Instagram has become a primary means of connecting with the local high school girl and out-of-towner customer segments because it is targeted and enables the boutique to create customized value for customers. C. Jane offers to ship directly to customers, with the Instagram page saying "DM us for what you need." These personalized customer service experiences have worked very well for the store and helped keep them in business during the pandemic. Kat knows that each customer is connected with other potential customers, therefore good experiences are organically shared between friends and family members. For this reason, C. Jane carries items that the mothers and grandmothers of younger customers like, knowing they are potential customers too. At the end of the day, C. Jane has found it incredibly valuable to deliver value to their different customer segments via different channels. These channels serve as the means of relationship building, not transaction pushing.

Case Study Takeaways

From my conversation with Kat and observations of her value proposition, I firmly believe relationship development undergirds success for C. Jane. Customer relationships grow her brand via word of mouth marketing, representing a different version of Cultural Equity than measured in my analysis. This version of Cultural Equity is more targeted and influential than my whole-student population survey for a narrow target market business. If I could survey C. Jane's target customer segments, I believe I would find a stronger sense of brand identity and advocacy among customers than my Cultural Equity survey indicated for the whole population of students. In this case, the narrow target market of C. Jane renders my broad-population definition of Cultural Equity less pertinent; it is irrelevant if a business has weak awareness and advocacy among the whole University of Texas student body when the business has strong awareness and customer advocacy among its smaller, particular target segments.

Conversation with Caffe Medici Owner Michael Vaclav

Company Overview and Background

Caffe Medici was founded in 2006 by Michael and Alison Vaclav, baristas turned entrepreneurs. The first Medici location is 2.5 miles south and west of the University of Texas campus on West Lynn Street. As a result of this distance from campus, the large majority of their customers were not University of Texas students, but instead local Austinites and some professors. First opening this West Lynn location helped owners Michael and Alison to understand the independent coffee market while operating as business owners instead of just as baristas behind the counter. The Caffe Medici location on The Drag used to be a coffee shop called Metro from 1995 to 2007. Michael and Alison used to work at Metro together before founding Medici. They knew the Metro owner well and decided to buy and take over the shop in 2008. One important note: Michael and Alison also bought into an existing 30-year lease from Metro. Students and faculty understood the location was a coffee shop back when it was Metro, so Michael benefitted from this awareness when he converted it to Caffe Medici. In our conversation, I asked Michael to analyze and describe his customers by the UT campus. He said that The Drag Caffe Medici's most valuable and consistent customers are University of Texas faculty, staff, and graduate students. Yet, they represent a minority of his business at this location. Faculty, staff, and graduate students are on campus year-round, so they are more consistent visitors in the down months of winter and summer. Also, undergraduate students are only on campus for about four years and "you might not gain them as customers until two years into their time on campus." The customer traffic at the Caffe Medici location stands in stark contrast to the traffic of

West Lynn. Michael described the West Lynn location as a quintessential coffee shop, with roughly 95% of his customers being repeat. Customers for The Drag location are far more fickle with seasonality, which explains his appreciation for the consistent faculty and graduate student customers. Michael expressed the value and volume of students on campus: “six months out of the year, those students are what keeps us in business.” That being said, his relationship with students is love and hate with revenues slumping exponentially in the winter and summer. As a result of buying into a 30-year lease from Metro, Caffè Medici has been protected from the epic rent struggle many businesses on The Drag experience since its 2008 inception. A common thread of every conversation with Drag business owners has been the exorbitant rent costs. With this in mind, I will be interested to see how a restructured lease will affect Caffè Medici in the future.

Michael admitted that he made numerous mistakes his first few years in operation, many of which were exacerbated due to the difficult operating environment. The biggest three challenges Michael discussed were seasonality, homelessness, and a constantly shifting retail environment. First, the seasonality of the business presented the challenge of scheduled labor adjustments. He wanted to keep staff on year-round, but quickly realized that the down months of summer business traffic prevented him from being able to afford it. To overcome the operational challenge of seasonality, Michael resorted to keeping just five employees year-round and hiring students during the high-traffic months during school. From December 15 to January 15, Caffè Medici does roughly 15% of normal business revenues with winter break. A large majority of students leave campus for home immediately after finals, leaving only his consistent

faculty and graduate students as customers. During the summer break, Caffè Medici basically breaks even or barely makes money with only 20% of usual customer traffic coming to the store. Michael said he is always amazed at the dramatic restoration of business following the end of down months. For instance, over a 24 hour period at the end of the summer, business goes from 20% to 100% of normal traffic. Especially for new businesses entering The Drag, it is impossible to exactly anticipate the seasonality of customer traffic, so it takes at least one year of making labor adjustment mistakes to determine a viable system.

The second major problem Caffè Medici faces on The Drag is homelessness. Although transients on The Drag certainly present an operational challenge for Caffè Medici, Michael feels that his shop is ingrained in The Drag culture. Looking back at The Drag's iconic past as a unique, weird retail destination in Austin, the Metro and now Caffè Medici location have progressed with the space. Perhaps The Drag's dynamic has shifted to a grungier, less popular space than in years past. The homeless population waxes and wanes depending on student presence by campus. It correlates with the seasonality of the business during normal years. I was surprised to learn that many of the homeless people on The Drag are consistently present and do their own informal part in regulating the environment. Michael reflected on a moment when a homeless man asked him for money and was criticized by a homeless man who is always present on The Drag. In the same way that Michael feels he is part of the culture and history of The Drag, he believes his coffee shop is too. The major problem with the evolving environment on The Drag is the safety concerns a homeless situation may present for foot traffic. From time to time, Michael and his employees have to lean on

law enforcement to resolve situations outside their front door to make the environment safer for students and other customers.

As a final operational challenge Caffè Medici faces, Michael expressed how the retail environment on The Drag has changed. The previously mentioned rent and homeless problems are among many contributing factors pushing small businesses off of The Drag. Big box stores have consistently replaced small businesses that get edged out because they can afford to suffer short-term losses in order to gain a foothold in the market. In addition, it is probable there are some big box stores on The Drag that lose money overall, yet maintain the store for a presence by campus. Thinking about the revolving door that is The Drag, Michael said it simply takes time for target customers on campus to become aware of new businesses. Michael remarked there are businesses operating down the street from the Caffè Medici location that he is totally unaware of and has not yet visited. Overall, Caffè Medici experiences many of the typical hardships of operating on The Drag with the exception of rent. Capturing and keeping customers remains the top priority for sustaining the coffee shop in the long-term.

Value Proposition

“There are three types of coffee: Folgers, Starbucks, and specialty,” Michael explained. When Caffè Medici was first established, Michael believes it was the only specialty coffee shop in Austin. Specialty coffee shops are concerned with every aspect of the product, giving thought to the beans, the water, the roasting style, and more. Specialty coffee came on the coffee scene on both coasts of the United States in the

mid 2000s and really grew in popularity from that point forward. Customers of typical specialty coffee shops are hyper-concerned with quality, so Caffè Medici has made a point to consistently stay ahead of the curve in coffee innovations and quality mastery. When he first started the West Lynn location, Michael said he only considered about five roasteries in the United States to serve his customers. He said there are probably 200 now that he would recommend to a friend starting a coffee shop. Michael reflected on Caffè Medici's infancy: "our technology in grinding, machines, water... there are things that we started in 2006 that were cutting edge that we don't do anymore." Early customers of Caffè Medici, especially the West Lynn location, really valued the technology and innovations.

The needs of the customer rapidly changed and evolved during the first few years of Caffè Medici: "Every two years you're almost changing the way you're doing things," Michael said. However, innovations and changes to the brewing process have plateaued over the last five years and more coffee shops have created value propositions concerned with coffee quality. Taking after Michael and Alison's journey working at Metro and then starting Caffè Medici, many of Caffè Medici's former employees went on to found their own specialty coffee shops around Austin. As a result, differentiation based on quality and innovation has become more difficult as the market becomes more saturated with specialty coffee. As differentiation takes on a different meaning with the competitive landscape, Michael realized the core of his value proposition: "the hardest thing now is consistency... quality and customer service." The grinders and machines can be easily kept up to maintain consistency. The real Medici difference lies in the baristas; they must be trained well to ensure quality of product and

they must deliver premium customer service, fostering personal relationships with customers. They are the primary communicators of Caffè Medici's value proposition to customers. The moment a customer walks into the shop, a barista greets them. After a wait in line, a barista will take the order of the customer and will make that drink right in front of the customer using in-shop machinery and supplies to the custom dimensions requested.

Michael has prioritized the relational element of Caffè Medici, saying, "I designed all of our shops with an espresso machine up front... I don't want you running into a register because that's more transactional." Baristas are trained to have their heads up to see and greet customers. Michael explained that simply telling a customer, "Hey, I'll be right with you" can completely change a customer experience. Acknowledging customers and forming some kind of personal connection is the most crucial factor for growing Caffè Medici's business because repeat customers are the most valuable. According to Michael, every employee at the West Lynn location knows just about every customer and his or her personal order. There are times that customers do not even know what drink they order and a barista has to tell the new employee what to make! Caffè Medici wants to welcome all customers from all different backgrounds, experiences, and world views. For the campus location, Michael has explicitly avoided expressing any polarizing view on any policy, social movement, or religion because he believes those conversations happen in his shop. He said, "the philosophical and pseudo-philosophical conversations stay the same but the people rotate through," showing that new cycles of customers come into Caffè Medici ready to contribute their ideas to new discussions. It is Caffè Medici's job to provide a neutral space for those

conversations, for studying, and for living. This is the heart of the Caffè Medici value proposition: each customer must feel seen, feel welcomed, and feel valued.

Market Presence Tactics

Michael explained that he has previously used a handful of marketing communication tactics to try and increase brand awareness and grow brand equity. For instance, he has paid for advertisements in the Daily Texan, the university's campus publication. Yet, he found it impossible to measure the true impact of the promotion. Michael also accepted Bevo Bucks in his store, which is a campus and merchant payment system for students. He did not see a Bevo Buck redemption rate that represented a meaningful impact on his business. Also, Michael employed a digital marketing company for between six and twelve months to promote the business. The marketing metrics did not convince him of a legitimate numerical impact on his business, so he discontinued this strategy. Finally, the most consistent and seemingly impactful means of connecting with new customers is a freshman dormitory targeting strategy. At the beginning of each fall, Michael works with many of the West Campus student apartments and gives them free stuff to give to residents for their first days of school. This includes coupons for free cups of coffee and even coffee samples. Of all the Caffè Medici awareness tactics Michael mentioned, he has attempted to connect with freshman dorms most consistently. These various approaches indubitably contribute to a strong sense of brand awareness on campus, with my survey data indicating that 83% of students know of Caffè Medici.

Although more students are aware of Caffè Medici as a result of promotional efforts, the true struggle is to get students into the shop. That is why Michael focuses on providing a neutral space for his customers. It is difficult to try and connect personally with students on campus. As mentioned, Michael has spent years mastering his value proposition of product quality and customer service in his coffee shop. When customers come into the coffee shop, Michael allows them to define the space. Because Caffè Medici strives to be a neutral space, it can be difficult to go to individual organizations on campus and recruit new customers to the shop. All of those student organizations represent narrow subsets of the overall student population by recreational, political, religious, Greek life, or other affiliation. Instead of targeting particular student groups, Caffè Medici has found success in connecting with an entire department on campus: Architecture. Michael said the School of Architecture is a major driver of traffic, yet Caffè Medici's connection with the school is not institutional, it is relational. The university has rules that prevent businesses from soliciting students on campus, so individual relationships between baristas and faculty or baristas and students must have been the initial spark. Caffè Medici evidently benefits from a strong sense of Cultural Equity within the School of Architecture specifically, with tremendous brand awareness and customer advocacy boosting connections. This informal department relationship accelerates sales without excluding other groups on campus. Michael highly values consistent, loyal customers. The development of a cultural following within a tight-knit group like the school of architecture is crucial to Caffè Medici's continuous pipeline of customers. While student customers are on campus, Michael's coffee shop relies on personal

connections and positive word of mouth marketing to perpetuate traffic when old student customers are replaced with new.

Case Study Takeaways

I asked Michael point blank about how he cultivates Cultural Equity for Caffe Medici. He replied simply: “time.” This indicates the most significant difference between small and large business entry to The Drag. Small businesses cannot afford to lose money for long periods of time. The task of developing cash flows is urgent for small businesses when compared to some large chains; there is typically less margin for error and less room for failure. Student transplants coming to campus from around the state and even the nation will not know or understand the small business landscape. The key for Caffe Medici is to become part of the culture. In fact, he credits the pre-existing coffee shop, Metro, with helping his customer traffic significantly in Caffe Medici’s early days. Cabo Bob’s, Kerbey Lane Cafe, and Caffe Medici all cater to broad populations of students on The Drag. Each business has a different value proposition, yet it seems all have prioritize creating a comfortable environment for students to congregate. At Caffe Medici, Michael is focused on creating a neutral environment where students can come and define the space. If customers feel comfortable defining the space in Caffe Medici, they will invite their friends, new customers, to join them in their effort.

Conclusion

When I first set out to examine the problem of business turnover on The Drag, I was amazed at the struggle for businesses to survive on such fertile ground. Starting a business on the footpath of 50,000 college students appears foolproof. These businesses have a captive audience and success would seem to be the result of simply offering a high quality product. Repeated business failure said otherwise, introducing my enigma. Through a handful of expert interviews, I pieced together a situation analysis of The Drag, understanding the historical and present factors that make life difficult for businesses. The Drag is uniquely characterized by a number of operational challenges, differentiating the space from most places of business. First, many businesses covet this university student population, driving up demand for retail space and increasing rent prices to astronomical levels. Some of my interviews indicated rent prices as high as \$60-\$90/foot. Second, The Drag is a one-sided retail street due to historical factors. In my conversation with Lee Walker, he mentioned this problematic infrastructure situation. In response to an era of immense protesting on The University of Texas campus in the 1960s and 1970s, the university built a wall to prevent the free flow of foot traffic between campus and The Drag as a riot prevention measure. Third, there is a consistent homeless presence that creates safety concerns and discomfort for commuting students walking between home and campus. The university only indirectly addresses the issue of transients on The Drag by intermittently increasing police patrol on campus. When combined with the one-sidedness of The Drag, the presence of homeless people creates a funneling effect. Students do not linger on The Drag, but pass through to get to campus, damaging the value of foot traffic. Fourth, students are

fickle customers. Upon arriving on campus as freshmen, students are “blank slates”. Small businesses operating by campus have no existing brand awareness and have to communicate their value propositions to new students each year. Although the appealing student population motivates business owners and entrepreneurs to start businesses by campus, students inevitably leave campus within four years of arrival. This constant student turnover requires businesses by campus to annually acquire 25% of their customer traffic in perpetuity to compensate for graduating student customers.

Traditional marketing wisdom holds that businesses create and deliver value to customers using Product, Place, Promotion, and Price. In this unique operating environment, Promotion seems of utmost importance because customer acquisition begins with brand awareness. This is where Cultural Equity enters the picture. For businesses catering to the massive, 50,000 student population at UT Austin, cheaply acquiring customers is critical for survival. In my survey, I asked hundreds of students which small businesses on The Drag they know, to what degree would they recommend that business to a friend, and to what degree would they take an out-of-town friend to that business. With these questions, I assessed current brand awareness, net promoter score (NPS), and each business’ “Out of Town Friend Score”. In this environment, brand awareness is the first step to acquiring new student customers. Students must be aware of what value a business offers to consider it as an option. Next, a high NPS indicates powerful word of mouth marketing from current customers and strong customer loyalty. Finally, the Out of Town Friend Score indicates the degree of cultural significance a business holds in the mind of its customers in the context of a culturally iconic business environment. Cultural Equity was calculated by ranking small

businesses by their scores in brand awareness, NPS, and the Out of Town Friend Score. Restaurants were ranked against restaurants and retail stores were ranked against retail stores. I found that Cultural Equity seems to be associated with staying power in this tough business environment primarily for restaurants. For example, four of the top five Cultural Equity-ranking restaurants on The Drag have been in business for longer than ten years. For retail stores, this was not exactly the case. It was my assumption that all of these businesses paying exorbitant rent and dealing with a slew of operational challenges cater to the enormous student population on campus. This assumption neglected differences in target markets between the restaurant business model and the retail store model. As a result, Cultural Equity defined by a broad population is less important for retail store success given their narrower target markets. That being said, I believe Cultural Equity could benefit from a more targeted definition for retail stores. Brand awareness and net promoter score hold proven importance for business success, but are rendered useless metrics when measured in a business' non-target market. This was the case when evaluating a retail store's Cultural Equity for the entire student population when the store has a narrow target market.

Cultural Equity is evidently important for restaurants, and the case studies grew my understanding of the operational challenges, value propositions, and market presence tactics of four successful small businesses. In writing the case studies, I understood looking at success cases samples on the dependent variable. Yet, the three restaurant cases I assessed helped me understand the means by which successful organizations have cultivated Cultural Equity. Retail stores evidently do not require Cultural Equity to be successful in the same way restaurants do, yet the C. Jane case

illustrated how a narrow target market should redefine Cultural Equity's parameters. For C. Jane and many other successful retail stores on The Drag, a survey among a targeted demographic would likely indicate a high degree of Cultural Equity, indicating a self-perpetuating customer acquisition machine.

Across all four case studies, I found two common threads that help businesses cultivate Cultural Equity: treating customers right and connecting with the community. This looks different for every business. For Cabo Bob's, treating customers right means maximizing every customers' burrito experience in-store. Connecting with the community looks like giving free chips, queso, and coupons to a college dorm lobby in west campus. For C. Jane, treating customers right means making sure every customer request is met with premium personal service. Connecting with the community looks like providing clothing for philanthropic fashion shows and photo shoots for sororities. The approaches only differ in target markets; Cabo Bob's reaches out to a wide base of potential customers and C. Jane connects with a narrow demographic. In conclusion, Cultural Equity's exact importance to a small business' success is unknown. Yet, the successful, longstanding businesses on The Drag that cater to the large-market student body reap the benefits of Cultural Equity as a means of cheaply acquiring new student customers. For these businesses, Cultural Equity appears not only a means of survival, but a source of sustained competitive advantage.

Annotated Bibliography

“15 Delivery Statistics You Need to Know | Thanx Customer Engagement,” May 21, 2019. <https://www.thanx.com/15-delivery-statistics-you-need-to-know/>

This website has compiled a number of valuable pieces of data pertaining to the growth and prevalence of food delivery. I will use the data in my Kerbey Lane Cafe case study.

Alessandretti, Laura, Piotr Sapieżyński, Vedran Sekara, Sune Lehmann, and Andrea Baronchelli. “Evidence for a Conserved Quantity in Human Mobility.” *Nature Human Behaviour* 2, no. 7 (July 2018): 485–91. <https://doi.org/10.1038/s41562-018-0364-x>

This is a research study showing that people generally visit about 25 places on a regular basis. Could be helpful in building a case for brand awareness strategy. “Thus, individuals continually explore new places yet they are loyal to a limited number of familiar ones forming their activity set.”

Birkner, Christine. “Building a Blueprint.” *Marketing News* 49, no. 5 (May 2015): 10–11

Christine Birkner is a content strategist and editor. At the time of writing, she was a senior staff writer for the American Marketing Association. In this article, she elaborates on the significance of developing a marketing plan and utilizing it as the foundation of all marketing efforts. In particular, she connects the importance of this idea to brand awareness efforts for small- and medium-sized businesses. She quotes Timothy Calkins, a professor of marketing at the Kellogg School of Business: “If you don’t have a plan, it’s a missed opportunity.

Your whole marketing effort becomes a series of programs with no link to the business or the results...You have to start with a marketing plan that's linked to the overall business objectives and brings those to life." She introduces a 5-step blueprint for establishing a marketing plan in the digital era, paraphrased below: 1. "Start with the basics" - define target audience, value proposition, and brand's positioning. You should have an idea about what's going on competitively for positioning. 2. "State your objectives" - plan should include 1 or 2 specific goals over the next year. 3. "Don't outsource your plan" - let your team build and own its marketing plan and all associated results. You need feedback that is tied to every customer touch point. 4. "Bake in digital" - Calkins - "You need to make sure that digital is at the core of what you're doing. It's how people learn about your business, it's how they interact with your business, and it's how people form their brand perceptions." 5. "Don't reinvent the wheel" - set checkpoints for your objectives and get your business set in the correct direction. 6. "Be flexible" - when one of your assumptions changes, be it the needs of the customer, the competition, or something else, you must rework the plan.

Brown, Casey. "Pinterest." Accessed April 30, 2021.

<https://www.pinterest.com/pin/117867715234141090/?autologin=true>.

This is a photograph of the Kerbey Lane Cafe queso mural. It will be used to explain a market presence tactic for the brand.

Burr, Beverly, and Harry Cleaver Economics. *History of Student Activism*, n.d.

This article demonstrates the history of protest on The Drag, mentioning the changing landscape due to Vietnam War protests.

Campbell, Jeffrey, Robin B. DiPietro, and Daniel Remar. "Local Foods in a University Setting: Price Consciousness, Product Involvement, Price/Quality Inference and Consumer's Willingness-to-Pay." *International Journal of Hospitality Management* 42 (September 1, 2014): 39–49.

<https://doi.org/10.1016/j.ijhm.2014.05.014>

This article will be helpful in a pricing analysis of student populations. It may indicate feasible price ranges for by-campus restaurants to operate within.

Carolyn Cummins. "Amazon Will Be a Friend and a Foe." *Sydney Morning Herald, The*, June 10, 2017, 19

Carolyn Cummins is Commercial Property Editor for The Sydney Morning Herald.

In this article, she discusses the effects of Amazon's growth on smaller local retail businesses. In 2017 when the article was written, Cummins quoted Stephen Jones, the co-founder of website marketplace House of Home: "93 percent of retail sales in Australia happen in-store." Some perspectives on Amazon's growing market presence imagine that it could increase retail sales across the board, while others imagine that local retail will be demolished. In assessing the nature of Jones' furniture and home-product retail business, Cummins shows how he has introduced an omni-channel approach to reaching the customer. They have four avenues: phone, email, in-store enquiry, and online sales. With this in mind, Jones and Cummins both admit the industry specific nature of furniture sales; they are mostly in-person. Yet, it seems

reasonable to cautiously apply these insights to the local restaurant and retail industries represented on The Drag. According to Cabo Bob's, the primary focus of their business is on the in-store customer.

Doleman, John P. "Understanding How to Use Mobile Marketing in Small Businesses." ProQuest Information & Learning, 2018. (2017-54452-021)

This source could be useful in assessing the effectiveness of mobile marketing for small businesses. Mobile marketing is the means through which businesses communicate directly with customers through mobile devices.

"Frequently-Asked-Questions-Small-Business-20191.Pdf." Accessed December 2, 2020. <https://cdn.advocacy.sba.gov/wp-content/uploads/2019/09/23172241/Frequently-Asked-Questions-Small-Business-20191.pdf>.

Gibbons, Kevin. "Small Seasonal Business Strategies to Improve Profits through Community Collaboration." ProQuest Information & Learning, 2015. (2015-99211-009)

Provides an explanation of the effects of seasonality in business. This article proposes that brand awareness and community involvement are two valuable tools in combating seasonality of business.

Nicar, Jim. "How UT Students – and Eleanor Roosevelt – Integrated the Drag." *The UT History Corner* (blog), October 2, 2014. <https://jimnicar.com/2014/10/01/how-ut-students-and-eleanor-roosevelt-integrated-the-drag/>

This article takes a look at the history of racial integration of The Drag in the 1960s.

It could be useful in telling the history of The Drag, explaining operational challenges.

Karlíček, Miroslav, Ivan Tomek, and Miroslav Křížek. "Word-of-Mouth Marketing: An Integrated Model." *Ekonomika a Management* 2010 (January 1, 2010)

This resource is an incredible compilation of data that will help me to formulate the weights of my Cultural Equity measurement. The article goes into depth about the significance of word-of-mouth marketing.

Koyagiolo, Koyandome Freddy. "Small Business Survivability beyond Five Years." ProQuest Information & Learning, 2017. (2016-58391-279).

<http://ezproxy.lib.utexas.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=psyh&AN=2016-58391-279&site=ehost-live>

This paper could be used as a guide for my operating context assessment and business analysis. This author identified three themes to focus on: market research, passion and determination, and innovation. I could evaluate the values of these features in my market analysis.

Lewis, Colin. "Strategy Is a Luxury for Small Brands, so Focus on Being Better Known." *Marketing Week* (blog), July 31, 2019.

<https://www.marketingweek.com/colin-lewis-strategy-small-brands/>

This is an opinion article by Colin Lewis, a marketing expert currently (as of fall 2020) serving as the CMO at OpenJaw Technologies. He initially defines a Small Medium Enterprise (SME) as a company with less than 250 employees. All of the "small businesses" my project focuses on fall into this category. He

additionally claims that this SME title encompasses roughly 99% of all businesses, which indicates that small business insights can produce results important to a large number of businesses operating in the market. Lewis quotes Byron Sharp: “A lot of small businesses think a large chunk of their job is to tell the world why they should buy from them. But the biggest battle for small businesses, especially those starting out, is that people don’t know who you are and they don’t know how to buy from you.” The essential takeaways are that small businesses are more concerned with immediate survival than long-term brand-building. The larger pool of resources that large companies possess enable them to focus on brand-building. With the limited resources of SMEs, they ought to focus on brand awareness efforts and reaching customers through appropriate channels.

Naik, Prasad A., Ashutosh Prasad, and Suresh P. Sethi. “Building Brand Awareness in Dynamic Oligopoly Markets.” *Management Science* 54, no. 1 (January 2008): 129-138,VI

This article will be helpful in identifying the utility of brand awareness efforts for The Drag.

Peterson, Bill T. “Promotion Class Discussion, Marketing Policies - Class 19b.” Austin, TX, March 31, 2021

This is a referenced diagram of the customer buying journey thanks to a Marketing Policies lecture from Bill. It will be used to explain the effects of Cultural Equity.

Pophal, Lin. “Small Business and Content Marketing.” *EContent* 38, no. 3 (April 2015): 6–8

This is an article about content marketing for small businesses. It highlights the importance of doing some market research in order to properly segment customers and understand the customer journey before communication even begins. It also agrees with a statement from Lee Walker about formulating a business plan before starting a business.

Prewitt, Milford. "Operators Employ Work-Site Marketing to Gain Traffic." *Nation's Restaurant News* 40, no. 16 (April 17, 2006): 4–59

Milford Prewitt is a Freelance Business Reporter and Digital Media Consultant. His article was published in *Nation's Restaurant News*. Work-site marketing meets potential customers where they are to gain traffic for a business. It can generate "substantial gains in customer frequency and brand awareness." This type of marketing is known as alternative print media and it is very targeted. This approach to brand awareness seems especially beneficial for local businesses operating on The Drag compared with traditional media approaches. Results of these tactics are great. In the case of Subway, operators used these tactics and saw a 12% increase in same-store sales. It is easy to compare this approach to brand awareness with the approach employed by Cabo Bob's, putting their product and discounts in student housing areas for free.

Rahman, Muhammad Sabbir, Md Afnan Hossain, Mohammad Tayeenul Hoque, Md Rifayat Islam Rushan, and Mohammad Iftekhar Rahman. "Millennials' Purchasing Behavior toward Fashion Clothing Brands: Influence of Brand Awareness and Brand Schematicity." *Journal of Fashion Marketing and*

Management: An International Journal 25, no. 1 (January 1, 2020): 153–83.

<https://doi.org/10.1108/JFMM-07-2019-0137>.

Rahman et al. looks at millennial shopping habits. His team’s work will aid in evaluating the significance of brand awareness to businesses, especially retail stores.

Reichheld, Frederick. “The One Number You Need to Grow.” *Harvard Business Review*, December 1, 2003. <https://hbr.org/2003/12/the-one-number-you-need-to-grow>

This article is the origin of Net Promoter Score. Created by Fred Reichheld, Bain and Co., and Satmetrics in 2003, NPS stands as a tremendous predictor of actual customer behavior and is correlated with company growth among competitors.

“The Author of This Article, Will Weissert, Is a Political Writer Whose Article Was Published by the Canadian Press in 20,” n.d.

KLRU Austin Now. “What Does the Future Hold for the Historic Shopping District next to the UT Campus?,” November 2, 2007.

https://web.archive.org/web/20071102083445/http://www.klrutexas.org/austinnow/archives/UT_drag/ut_drag.asp

This is a small news piece about the Drag, interviewing some architects and Austinites. It could help me make a case about issues with infrastructure and the decline of its reputation.

“What Is Net Promoter Score (NPS) | Definition and Examples.” Accessed April 30, 2021. <https://www.productplan.com/glossary/net-promoter-score/>.

This is an image explaining the NPS scale in surveys.

Will Weissert. "Report: Texas Should Reduce Campus Transients after Slaying."

Canadian Press, The. Accessed November 15, 2020.

<http://ezproxy.lib.utexas.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=n5h&AN=MYO027405496116&site=ehost-live>

The author of this article, Will Weissert, is a political writer whose article was published by the Canadian Press in 2016. This article was written in response to the slaying of a first year dance major at the University of Texas by a homeless teenager. The evident danger associated with the homeless population, especially as it pertains to the safety of female students on campus, cannot be understated. Weissert calls for university action to reduce the number of homeless on and around campus through police and security guard action. At the time of writing, the university categorically accepted the recommendations on safety improvements from the DPS. The murder was indicative of a larger problem of homelessness in the city of Austin. However, the primary takeaway for this thesis project is a more immediate connection between the responsibility of the University of Texas ensuring the safety of its students and the safety of The Drag, a street notoriously populated by transients.

Appendix

Small business breakdown on The Drag

Number	Business	Address	Type	Established	Years Est.	Multiple Locations	Started in Austin	
1	Polkadots Cupcake Factory	2826 Rio Grande St B, Austin, TX 78705	Food	2008	13	No	Yes	Polkadots Cupcake Factory
2	Cabo Bobs	2828 Rio Grande St, Austin, TX 78705	Food	2008	13	Yes	Yes	Cabo Bob's
3	Texas French Bread	2900 Rio Grande St, Austin, TX 78705	Food	1981	40	No	Yes	Texas French Bread
4	Jazmin's Cafe Taqueria	620 W 29th St, Austin, TX 78705	Food			No	Yes	Jazmin's Cafe Taqueria
5	Lo-Fi Vintage	604 W 29th St, Austin, TX 78705	Retail	2017	4	Yes		Lo-Fi Vintage
6	Nice Kicks??	2900 Guadalupe St, Austin, TX 78705	Retail	2010	11	Yes		Nice Kicks??
7	Poke Bowl	2828 Guadalupe St #100, Austin, TX 78705	Food			Yes		Poke Bowl
8	Taco Shack	2825 Guadalupe St, Austin, TX 78705	Food	1996	25	Yes		Taco Shack
9	Longhorn Pizza and Grill	2820 Guadalupe St, Austin, TX 78705	Food			No	Yes	Longhorn Pizza and Grill
10	Dirty Martin's Place	2808 Guadalupe St, Austin, TX 78705	Food	1926	95	No	Yes	Dirty Martin's Place
11	Resurrected Movies, Video Games & More	2815 Guadalupe St C, Austin, TX 78705	Retail	2012	9	No	Yes	Resurrected Movies, Video Games & More
12	ATX1 Smoke & Vape	2801 Guadalupe St #1, Austin, TX 78705	Retail	2016	5	No	Yes	ATX1 Smoke & Vape
13	Abu Omar Halal	2718 Guadalupe St, Austin, TX 78705	Food	2015	6	Yes	No	Abu Omar Halal
14	Kosmos	2718 Guadalupe St, Austin, TX 78705	Food					Kosmos
15	Love Goat	2716 Guadalupe St, Austin, TX 78705	Food					Love Goat
16	Kasbah Moroccan Lounge	2714 Guadalupe St, Austin, TX 78705	Food					Kasbah Moroccan Lounge
17	Halal Bros	2712 Guadalupe St, Austin, TX 78705	Food	2010	11			Halal Bros
18	Mockingbird Saloon	2610 Guadalupe St, Austin, TX 78705	Food					Mockingbird Saloon
19	Kerbey Lane Café	2606 Guadalupe St, Austin, TX 78705	Food	1980	41	Yes	Yes	Kerbey Lane Café
20	Diablo Rojo Tattoo	2604 Guadalupe St, Austin, TX 78705	Retail					Diablo Rojo Tattoo
21	Hole in the Wall	2538 Guadalupe St, Austin, TX 78705	Food					Hole in the Wall
22	Moody's Kitchen and Bar	2530 Guadalupe St, Austin, TX 78705	Food	2020	1			Moody's Kitchen and Bar
23	Kokodak	2522 Guadalupe St, Austin, TX 78705	Food					Kokodak
24	iClips Hair and Nail Salon	2512 Guadalupe St, Austin, TX 78705	Retail					iClips Hair and Nail Salon
25	Sam Computers	2508 Guadalupe St, Austin, TX 78705	Retail					Sam Computers
26	Bananarddy	2420 Guadalupe St, Austin, TX 78705	Food					Bananarddy
27	Left Wing	2416 Guadalupe St, Austin, TX 78705	Food			Yes		Left Wing
28	C. Jane	2346 Guadalupe St, Austin, TX 78705	Food	2006	15	No	Yes	C. Jane
29	Miss Behavin	2322 Guadalupe St, Austin, TX 78705	Retail	2019	2	No	No	Miss Behavin
30	Caffe Medic	2222 Guadalupe St B, Austin, TX 78705	Food	2006	15	Yes	Yes	Caffe Medic
31	Wooten Barbershop	2106 Guadalupe St, Austin, TX 78705	Retail	1992	29	No	Yes	Wooten Barbershop
32	Dainty Hooligan - CLOSED	2104 Guadalupe St, Austin, TX 78705	Retail					Dainty Hooligan - CLOSED
33	Alante Salon	2102 Guadalupe St, Austin, TX 78705	Retail					Alante Salon
34	Tejil's	2100 Guadalupe St B, Austin, TX 78705	Food					Tejil's
35	Thai How Are You? - CLOSED	2100 Guadalupe St, Austin, TX 78705	Food					Thai How Are You? - CLOSED
36	Darque Tan - CLOSED	5608, 2007 Guadalupe St, Austin, TX 78705	Retail					Darque Tan - CLOSED
37	Poke Bay	2001 Guadalupe St #A-1, Austin, TX 78705	Food					Poke Bay
38	1UP Repairs	2004 Guadalupe St, Austin, TX 78705	Retail			Yes		1UP Repairs
39	K-Bop	2002 Guadalupe St B, Austin, TX 78705	Food	2016	5	No	Yes	K-Bop
40	Look Noodles & More	1914 Guadalupe St, Austin, TX 78705	Food	2017	4	No	Yes	Look Noodles & More
41	Coco's Café	1910 Guadalupe St, Austin, TX 78705	Food	2011	10	Yes	Yes	Coco's Café
42	Pho Thai Son	1908 Guadalupe St, Austin, TX 78705	Food	2001	20	Yes	Yes	Pho Thai Son
43	Tapioca House	1906 Guadalupe St, Austin, TX 78705	Food	2017	4	No	Yes	Tapioca House
44	Monkies Vintage and Thrift	1904 Guadalupe St C, Austin, TX 78705	Retail	2014	7	Yes	Yes	Monkies Vintage & Thrift

Restaurants on The Drag

	Awareness Rank	NPS Rank	Out of Town Average Score Rank	Average Rank	CE Rank
Cabo Bobs	2	1	1	1.33	1
Texas French Bread	14	7	6	9.00	9
Jazmin's Cafe Taqueria	22	22	22	22.00	22
Poke Bowl	8	16	16	13.33	13
Taco Shack	12	19	14	15.00	16

Longhorn Pizza and Grill	18	21	20	19.67	20
Dirty Martin's Place	15	10	11	12.00	11
Abu Omar Halal	19	14	12	15.00	16
Kosmos	21	11	8	13.33	13
Halal Bros	3	2	3	2.67	3
Kerbey Lane Café	1	3	2	2.00	2
Moody's Kitchen and Bar	20	20	21	20.33	21
Kokodak	6	18	17	13.67	15
Left Wing	16	4	4	8.00	7
Caffe Medici	4	9	10	7.67	5
Teji's	5	15	15	11.67	10
Poke Bay	13	13	13	13.00	12
K-Bop	9	5	9	7.67	5
Look Noodles & More	11	17	19	15.67	19
Coco's Café	9	8	7	8.00	7
Pho Thai Son	16	12	18	15.33	18
Tapioca House	7	6	5	6.00	4

Restaurant Rankings

Ranking	Awareness	NPS Rank	Out of Town Score Rank	Average CE Rank	Years in Business
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1	Kerbey Lane Café	Cabo Bobs	Cabo Bobs	Cabo Bobs	13
2	Cabo Bobs	Halal Bros	Kerbey Lane Café	Kerbey Lane Café	41
3	Halal Bros	Kerbey Lane Café	Halal Bros	Halal Bros	11
4	Caffe Medici	Left Wing	Left Wing	Tapioca House	4
5	Teji's	K-Bop	Tapioca House	Caffe Medici	15
			Texas French		
6	Kokodak	Tapioca House	Bread	K-Bop	5
		Texas French			
7	Tapioca House	Bread	Coco's Café	Left Wing	0
8	Poke Bowl	Coco's Café	Kosmos	Coco's Café	10
				Texas French	
9	K-Bop	Caffe Medici	K-Bop	Bread	40
10	Coco's Café	Dirty Martin's Place	Caffe Medici	Teji's	0
	Look Noodles &				
11	More	Kosmos	Dirty Martin's Place	Dirty Martin's Place	95
12	Taco Shack	Pho Thai Son	Abu Omar Halal	Poke Bay	0
13	Poke Bay	Poke Bay	Poke Bay	Poke Bowl	0
	Texas French				
14	Bread	Abu Omar Halal	Taco Shack	Kosmos	0
15	Dirty Martin's Place	Teji's	Teji's	Kokodak	0
16	Left Wing	Poke Bowl	Poke Bowl	Taco Shack	25
		Look Noodles &			
17	Pho Thai Son	More	Kokodak	Abu Omar Halal	6

18	Longhorn Pizza and Grill	Kokodak	Pho Thai Son	Pho Thai Son	20
19	Abu Omar Halal	Taco Shack	Look Noodles & More	Look Noodles & More	4
20	Moody's Kitchen and Bar	Moody's Kitchen and Bar	Longhorn Pizza and Grill	Longhorn Pizza and Grill	0
21	Kosmos	Longhorn Pizza and Grill	Moody's Kitchen and Bar	Moody's Kitchen and Bar	1
22	Jazmin's Cafe Taqueria	Jazmin's Cafe Taqueria	Jazmin's Cafe Taqueria	Jazmin's Cafe Taqueria	0

Retail Stores on The Drag

	Awareness Rank	NPS Rank	Out of Town Average Score Rank	Average Rank	CE Rank
Lo-Fi Vintage	5	6	2	4.33	3
Resurrected Movies, Video Games & More	8	4	3	5.00	4
ATX1 Smoke & Vape	11	5	11	9.00	10
Diablo Rojo Tattoo	9	7	5	7.00	8
iClips Hair and Nail Salon	4	2	4	3.33	2
C. Jane	2	9	6	5.67	6
Miss Behavin	1	10	8	6.33	7

Wooten Barbershop	6	8	9	7.67	9
Alante Salon	7	1	7	5.00	4
1UP Repairs	10	11	10	10.33	11
Monkies Vintage and Thrift	3	3	1	2.33	1

Retail Stores Rankings

Ranking	Awareness	NPS Rank	Out of Town Score Rank	Average CE Rank	Years in Business
1	<i>Miss Behavin</i>	<i>Alante Salon</i>	<i>Monkies Vintage and Thrift</i>	<i>Monkies Vintage and Thrift</i>	7
2	<i>C. Jane Salon</i>	<i>iClips Hair and Nail</i>	<i>Lo-Fi Vintage</i>	<i>iClips Hair and Nail</i>	0
3	<i>Monkies Vintage and Thrift</i>	<i>Monkies Vintage and Thrift</i>	<i>Resurrected Movies, Video Games & More</i>	<i>Lo-Fi Vintage</i>	4
4	<i>iClips Hair and Nail Salon</i>	<i>Resurrected Movies, Video Games & More</i>	<i>iClips Hair and Nail</i>	<i>Resurrected Movies, Video Games & More</i>	9
5	<i>Lo-Fi Vintage</i>	<i>ATX1 Smoke & Vape</i>	<i>Diablo Rojo Tattoo</i>	<i>Alante Salon</i>	0
6	<i>Wooten Barbershop</i>	<i>Lo-Fi Vintage</i>	<i>C. Jane</i>	<i>C. Jane</i>	15
7	<i>Alante Salon</i>	<i>Diablo Rojo Tattoo</i>	<i>Alante Salon</i>	<i>Miss Behavin</i>	2
8	<i>Resurrected Movies, Video</i>	<i>Wooten Barbershop</i>	<i>Miss Behavin</i>	<i>Diablo Rojo Tattoo</i>	0

	<i>Games & More</i>				
	<i>Diablo Rojo</i>				
9	<i>Tattoo</i>	<i>C. Jane</i>	<i>Wooten Barbershop</i>	<i>Wooten Barbershop 29</i>	
				<i>ATX1 Smoke &</i>	
10	<i>1UP Repairs</i>	<i>Miss Behavin</i>	<i>1UP Repairs</i>	<i>Vape</i>	<i>5</i>
	<i>ATX1 Smoke &</i>				
11	<i>Vape</i>	<i>1UP Repairs</i>	<i>ATX1 Smoke & Vape</i>	<i>1UP Repairs</i>	<i>0</i>