

UGC or In-House Production: where the next marketing dollar should go

By  **Diego F. Parra** · Updated 2026-07-10 · Marketing & Growth

MASTERRESTAURANT®

Executive brief

UGC or In-House Production: where the next marketing dollar should go

Method proven in 8,400+ restaurants · 43 countries

masterrestaurant.com

QUICK VERDICT

Verdict: the next dollar doesn't go to "pretty production" — it goes to the format with better unit economics. UGC wins the ramp-up — it solves customer acquisition cheaply and credibly, with a paid CAC of US\$27 in quick service (ChowNow, 2025) — while in-house production wins the long-term brand asset. The right call isn't to pick one: it's a 70/30 portfolio governed by CAC, LTV and repeat rate, not by aesthetics. Diego F. Parra puts it plainly at Masterrestaurant: measure return per dollar, not photo quality.

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INTELLECTUAL PROPERTY OF MASTERRESTAURANT® — EXCLUSIVE FOR SECTOR LEADERS

Every quarter the same board debate returns: hire creators to flood the feed with cheap UGC, or pay a studio to shoot three flawless pieces a year. It's a false dichotomy dressed as a matter of taste. It's really a capital allocation problem.

A restaurant group leader doesn't buy content: they buy visits, repeat purchase and contribution margin. The right question isn't "which looks better?" but "which lowers my customer acquisition cost and raises my diner LTV per dollar spent?" This brief answers that with sector data, not aesthetics.

SIDE-BY-SIDE COMPARISON

Side-by-side comparison

	UGC (CREATORS / CUSTOMERS)	IN-HOUSE PRODUCTION (STUDIO)
Typical CAC per acquired diner	✗ ≈US\$27 in quick service — via UGC/paid social (ChowNow, 2025)	✓ ≈US\$27 base but amortized over >12 months per piece (ChowNow, 2025)
Amplification CPC on Google/Ads	✗ US\$2.05 CPC; leveraged on cheap UGC (PPC Chief, 2026)	✓ US\$2.05 CPC; cost concentrated in producing the piece (PPC Chief, 2026)
Primary format objective	✗ 56% of influencer campaigns aim to generate UGC (Socially Powerful, 2025)	✓ <10% of spend goes to single brand piece (Socially Powerful, 2025)
Effect on pre-visit review	✗ 62% check the profile before deciding; UGC fills the feed (Restroworks, 2025)	✓ 62% check the profile; the pro piece anchors quality perception (Restroworks, 2025)
Repeat / frequency	✗ Online ordering = +67% frequency; UGC drives the click (Lightspeed, 2025)	✓ Strong brand sustains repeat long term (Lightspeed, 2025)
Asset lifespan	✗ Days to weeks; consumed fast in the feed	✓ Months to years; capitalizes as brand asset
Variability risk	✗ High quality and message-control variability	✓ Low variability; full control, higher fixed cost

1. Where should the next marketing dollar go: UGC or in-house production?

The next dollar goes to the format with better unit economics, not the one that looks prettiest in the boardroom. UGC wins the launch because it lowers customer acquisition cost:

in fast food the paid CAC averages US\$27 according to ChowNow (Restaurant Customer Acquisition Cost 2025), and a creator delivers credible social proof at a fraction of that number. In-house production wins the brand asset that never expires. I've seen it in dozens of groups: the committee argues aesthetics when the real problem is capital allocation. You don't buy content, you buy visits and repeat orders. With a Google Ads CPC of US\$2.05 and a 7.6% CTR in restaurants (PPC Chief, 2026 benchmarks), each channel has its own math. The hard rule: first measure which format lowers CAC most per cohort, and only then decide where to load the quarter's spend. UGC pushes the ROI numerator —more cheap conversions today— while in-house production lowers the risk denominator, the brand asset that doesn't depend on an algorithm.

2. UGC optimizes the numerator; in-house production, the risk denominator

The anchoring data point: 56% of influencer campaigns have generating UGC as their primary goal, per Socially Powerful (Influencer Marketing Statistics 2025), because the market already discovered creator content converts cheaper. But watch out: 62% of diners check the restaurant's page before deciding (Restroworks, 2025), and that page is built by in-house production, not the creator of the week. Diego F. Parra repeats it in every Masterrestaurant audit: UGC brings the click, in-house production sustains price perception. One is variable spend you switch on and off; the other is a fixed cost amortized piece by piece over years. They are two different lines on the P&L. UGC's CAC is marginal and variable: you pay per campaign, scale or cut based on results, and in fast food each acquired customer costs around US\$27 via paid channels (ChowNow, 2025). In-house production is the opposite: a fixed cost you amortize across months, where the effective CAC per piece drops with every visit it generates.

3. UGC's CAC is marginal; in-house production's is fixed and amortizable

At Masterrestaurant we treat this as two separate budget lines, never one bucket. It matters because 42% of local Google searches end in a click on the local pack (The Media Captain, 2024): that traffic lands on assets already shot, not a post that expired yesterday. The mistake I see over and over: merging both costs into 'marketing' and not knowing which one scales. Split them. The variable is optimized by speed; the fixed, by the asset's useful life. UGC buys attention today; in-house production buys pricing power and average-ticket defense tomorrow. The difference is paid in the margin: when a diner perceives a solid brand, they tolerate a higher price without friction, and that perception isn't built by an improvised video but by coherent production. Market context pushes in that direction: 37% of Americans dine out less frequently in 2025 according to Morning Consult (via NRN), so every visit is worth more and the ticket must be defended, not given away.

4. UGC buys immediate attention; in-house production buys pricing power

Meanwhile online delivery in Latin America grows at an 8.6% CAGR through 2030 (Grand View Research), and in Europe at 7.7%: there's demand, but it goes to whoever has a recognizable brand. Diego F. Parra says it plainly: without in-house production you compete on price; with it you compete on preference. UGC fills the funnel; the brand decides how much you charge at the end. Measuring UGC by 'likes' is a rookie mistake: it's measured by CAC and repeat orders, not vanity. And measuring in-house production by 'it looks nice' is even worse; it's measured by sustained conversion lift. The proof is in behavior: those who order online visit 67% more frequently (Lightspeed, 2025) and 42% use third-party apps just to reorder (Lightspeed, Online Ordering Statistics 2025). That's measurable repeat business, not applause. At Masterrestaurant we close each quarter cross-referencing content spend against CAC per cohort and second-visit rate.

5. Measuring UGC by 'likes' is a mistake; it's measured by CAC and repeat orders

A post with 40,000 likes that doesn't move CAC is a cost, not an investment. A production piece that lifts conversion a couple of points and holds, that one pays the bill. The metric rules; aesthetics inform, but don't decide the budget. The right decision isn't UGC or production: it's a portfolio with quarterly reallocation based on which format lowers CAC most per cohort. No serious leader puts all the weight on one format; they distribute and readjust with the closing numbers. The data underpins the mix: 64% of diners search the restaurant on Google before visiting (BrightLocal, Local SEO Statistics 2026) —that rewards the in-house production populating your listings— while 56% of influencer campaigns generate UGC (Socially Powerful, 2025) to feed the cheap funnel. Diego F. Parra manages it like a cash portfolio at Masterrestaurant: measure, reallocate, repeat. The next dollar goes to the format that lowered the cost of acquiring a diner most last quarter, with no loyalty to aesthetics.

6. The decision isn't binary: it's a portfolio with quarterly reallocation

If UGC brings repeat orders at US\$27, push UGC; if the brand defends your ticket, shield production. The portfolio decides, not taste. UGC optimizes the ROI numerator (more cheap conversions today); in-house production optimizes the risk denominator (a brand asset that doesn't expire). UGC's CAC is marginal and variable; production's is an amortizable fixed cost — two different P&L lines. UGC buys immediate attention; in-house production buys pricing power and average-ticket defense. Measuring UGC by likes is a mistake; measure it by CAC and repeat. Measuring production by 'looks nice' is worse; measure it by sustained conversion lift. The right call isn't binary: it's a portfolio with quarterly reallocation based on which format lowers CAC most per cohort.

POINT BY POINT

A/B analysis by board criterion

ACQUISITION COST (CAC)

A · UGC (CREATORS / CUSTOMERS)

Lowers CAC today with cheap social proof on the US\$27 floor (ChowNow, 2025)

B · MASTERRESTAURANT Lowers future

CAC by building brand; amortizable fixed cost

Verdict: UGC wins short term; production, long term. 70/30 portfolio.

DINER LTV

A · UGC (CREATORS / CUSTOMERS)

Delivers acquisition, not direct retention

B · MASTERRESTAURANT Sustains repeat

and defends average ticket

Verdict: In-house wins LTV; essential over the 62% who review the profile (Restroworks, 2025).

SPEED OF RETURN

A · UGC (CREATORS / CUSTOMERS)

Return in days/weeks, ideal for testing

B · MASTERRESTAURANT Return in 12-24

months, durable asset

Verdict: UGC for immediate traction; production to capitalize brand.

VARIABILITY / RISK

A · UGC (CREATORS / CUSTOMERS) High quality and message-control variability

B · MASTERRESTAURANT Low variability, full control, higher fixed cost

Verdict: Production mitigates brand risk; UGC demands curation.

SCALABILITY

A · UGC (CREATORS / CUSTOMERS) Scales on cheap volume and frequency

B · MASTERRESTAURANT Scales as a reusable asset across locations

Verdict: They complement: volume with UGC, asset with production.

SIDE-BY-SIDE COMPARISON

When the next dollar goes to UGC RAMP-UP AND CAC

- ✗ You need social proof volume NOW: 62% check your profile before deciding (Restroworks, 2025).
- ✗ Paid CAC hovers around US\$27 in quick service (ChowNow, 2025) and UGC drives it lower.
- ✗ You're launching a new location or testing a dish: cheap trial and error.
- ✗ Your delivery funnel needs clicks: online ordering lifts visit frequency 67% (Lightspeed, 2025).
- ✗ You want to feed the algorithm with frequency without burning cash.

When the next dollar goes to in-house production MASTERRESTAURANT

- ✓ Your brand already has traction and you need to defend premium/average ticket.
- ✓ 62% judge quality by the profile before entering (Restroworks, 2025): a pro piece anchors perception.
- ✓ You're scaling to more locations and need a reusable asset (low territory risk).
- ✓ The goal is LTV, not acquisition: brand sustains repeat purchase.
- ✓ You have clean data on which message converts and want to amplify it with quality.

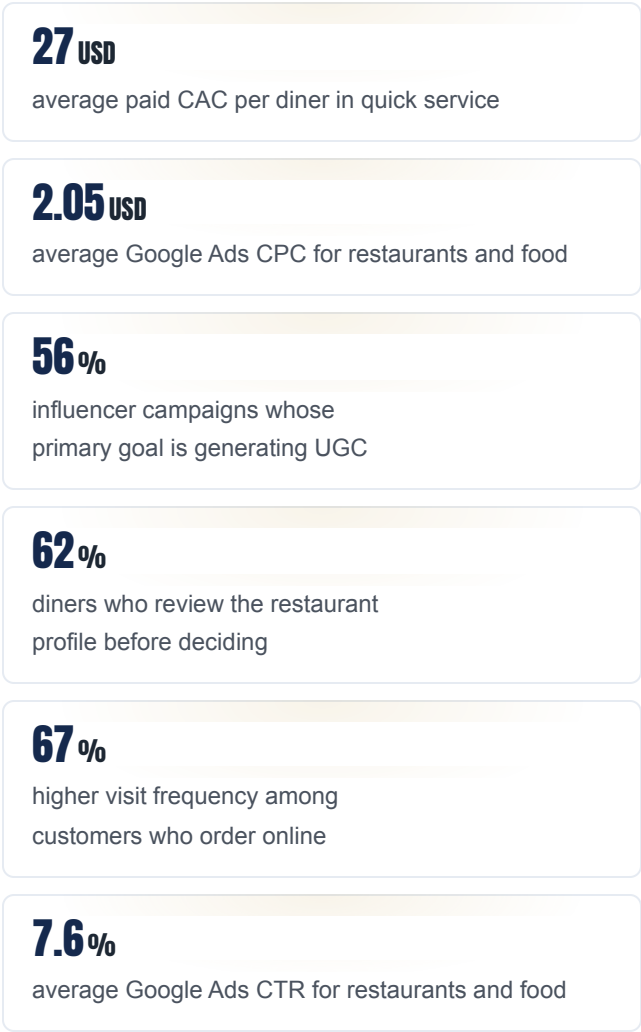
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THE NUMBERS THAT MATTER

The numbers that govern the decision



VISUALIZATION

The numbers, visualized

average paid CAC per diner in quick service



average Google Ads CPC for restaurants and food



influencer campaigns whose primary goal is generating UGC



diners who review the restaurant profile before deciding



higher visit frequency among customers who order online



average Google Ads CTR for restaurants and food



Sources: [ChowNow 2025](#) · [PPC Chief 2026](#) · [Socially Powerful 2025](#) · [Restroworks 2025](#) · [Lightspeed 2025](#)

Chart by masterrestaurant.com

REAL CASE

“A 4-location group spent 80% of its budget on an annual studio and never moved the repeat-purchase needle. We reallocated: 70% to local-creator UGC to lower CAC — which hovered around US\$27 per diner (ChowNow, 2025) — and 30% to two owned brand pieces a year. In six months, cost per online order dropped a third and frequency rose, consistent with the 67% higher frequency Lightspeed (2025) reports for online-ordering customers. The mistake wasn’t the format: it was governing by taste instead of unit economics.”

— Diego F. Parra, Masterrestaurant

HOW TO APPLY IT IN YOUR RESTAURANT

The roadmap to allocate the next dollar

1 Phase 1 — Unit-economics diagnosis (week 1-2)

Deliverable: a CAC, LTV and repeat dashboard by location and channel. Success metric: know your real CAC per diner against the US\$27 quick-service benchmark (ChowNow, 2025) and your CPC against the US\$2.05 sector figure (PPC Chief, 2026). Without this baseline, any investment is a bet.

2**Phase 2 — 70/30 portfolio and controlled test (week 3-8)**

Deliverable: 70% of budget to local-creator UGC, 30% to owned brand production, tracked by cohort. Success metric: cut CAC $\geq 20\%$ and lift CTR toward the sector's 7.6% (PPC Chief, 2026). Remember 62% review your profile before deciding (Restroworks, 2025): fill it with real social proof.

3**Phase 3 — Reallocation by return (week 9-12)**

Deliverable: a quarterly reallocation rule that shifts dollars to the format with lower CAC and higher repeat per cohort. Success metric: improve visit frequency by leveraging the +67% Lightspeed (2025) reports for online ordering, and capitalize the brand as an asset that lowers future CAC.

FAQ**Questions a board actually asks****Which lowers customer acquisition cost more?**

UGC, in the short term. Paid CAC hovers around US\$27 per diner in quick service (ChowNow, 2025) and local-creator content cheapens it with credible social proof. In-house production lowers future CAC by building brand, but its return amortizes over 12-24 months, not immediately.

Can I skip in-house production if UGC is cheaper?

No, if you care about LTV. 62% of diners review your profile before deciding (Restroworks, 2025): a brand piece anchors quality perception and defends your average ticket. UGC acquires; in-house production retains and protects pricing power. Skipping it mortgages future margin.

What ratio does the Masterrestaurant method recommend?

A 70/30 portfolio as a starting point: 70% to UGC to lower CAC and feed the algorithm, 30% to in-house production as a brand asset. Then reallocate quarterly based on which format lowers CAC most per cohort and raises repeat — governance by unit economics, not by taste.

How do I measure whether the investment worked?

By CAC, repeat and CTR, not by likes. The goal is to cut CAC $\geq 20\%$ against the US\$27 benchmark (ChowNow, 2025), push CTR toward the sector's 7.6% (PPC Chief, 2026), and raise frequency by leveraging the +67% Lightspeed (2025) reports for online-ordering customers.

DATA & SOURCES

Sector data 2026 (official sources)

Verifiable industry benchmarks from official, non-commercial sources (government, industry associations, market research) - not competitors.

Metric	Benchmark 2026	Source
Clientes que piden online y su frecuencia de visita	Visitan 67% más frecuentemente (2025)	Lightspeed 2025
Consumidores que escanearon un QR en un restaurante el último mes	57% de los consumidores (2025)	Sunday 2025
Aumento del ticket con pedido por código QR	+9% en tamaño de cuenta vs dine-in tradicional (2025)	Sunday 2025
Contenido generado por usuarios y engagement	+28% de engagement vs contenido de marca (2025)	Restroworks 2025
Usuarios que descubren productos y tendencias en TikTok	63,1% descubre en TikTok (2025)	The Influence Agency 2025
Gen Z que usa TikTok para buscar y descubrir restaurantes	41% de la Gen Z (2025)	Restroworks 2025

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