



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

By  **Diego F. Parra** · Updated 2026-07-08 · Marketing & Growth

QUICK VERDICT

Verdict: put the next marketing dollar into governed UGC —local creators under a brand brief— to cut customer acquisition cost by up to 38% and fill the top of the funnel; reserve in-house production (10-20% of budget) only for the conversion assets that move guest LTV: photographed menu, brand film, and the listing that closes the reservation. The cash mistake isn't picking the wrong format —it's measuring marketing by reach instead of by dollar invested against repeat visits.

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This brief is the written version of a talk Diego F. Parra delivers to restaurant group boards: how to allocate the marginal marketing dollar when every dollar competes between cheap reach and expensive brand control.

The dilemma isn't aesthetic. It's decision architecture: UGC buys discovery volume at low acquisition cost, in-house production buys brand consistency and conversion. Mixing them without a scorecard is how a 14-unit group burns budget without moving a single reservation.

SIDE-BY-SIDE COMPARISON

Side-by-side comparison

	GOVERNED UGC	IN-HOUSE PRODUCTION
Customer acquisition cost (CAC)	× \$3.10 per new guest	✓ \$11.40 per new guest
Cost per published asset	× \$45 to \$180 per piece	✓ \$650 to \$2,200 per piece
Production speed	× 48-72 hours per batch of 8	✓ 3-5 weeks per campaign
Delivery conversion (click to order)	× 2.4% (social proof)	✓ 4.1% (listing and photographed menu)
Retention and repeat at 90 days	× +9% (fuzzy brand recall)	✓ +21% (brand consistency)

	GOVERNED UGC	IN-HOUSE PRODUCTION
Scalability to 40 units	✗ High: creator network per market	✓ Low: studio bottleneck
Reputational risk	✗ Medium: needs brief governance	✓ Low: full message control

1. UGC or in-house production: where does the next marketing dollar go?

The next dollar goes to governed UGC —local creators working under a brand brief— because it lowers customer acquisition cost by up to 38% versus in-house production.

Diego F. Parra measures this in the boardrooms he advises through Masterrestaurant: a 14-unit group that shifted 60% of its ad-spot budget to UGC cut its CAC from 9.40 USD to 5.80 USD per new customer in 90 days. The logic is funnel-based: UGC buys cheap discovery volume at the top, where a creator video costs 40-120 USD and drives 15,000-40,000 organic impressions. In-house production yields 3-5x less reach per dollar spent. Reserve in-house production for 10-20% of the budget, only for the conversion assets that actually pay back. Splitting it 80/20 the wrong way is the error that burns cash without moving a single reservation. Governed UGC is an acquisition channel with its own profitability, not a production saving.

2. UGC is not cheap content: it is an acquisition channel with unit economics

A local creator under brief charges 40-120 USD per piece and, when usage rights for paid amplification are negotiated well, that same piece becomes an ad with a CPM 25-35% lower than agency creative, because the audience reads it as social proof rather than advertising. In the groups Masterrestaurant audits, the healthy ratio is 8-12 active creators per quarter for every 5-8 units, with a per-piece cost that rarely tops 150 USD. Measured by conversion to reservation or order, UGC cuts CAC by 28% to 38%. Measured by likes, it is smoke: I have seen videos with 200,000 views and zero tables on a Tuesday. The right metric is cost per attributed customer, not vanity reach. In-house production is not expensive content: it is conversion infrastructure that pays back order by order for months. A menu photographed with professional lighting and the delivery listings are assets, not campaign spend.

3. In-house production is conversion infrastructure, not campaign spend

A menu shoot of 800-1,500 USD produces 30-40 photos that lift the aggregator listing conversion rate by 12% to 22%, per what Diego F. Parra measures across his groups' accounts: in a unit with 4,000 monthly orders at an 18 USD ticket, two conversion points are 1,440 USD extra per month, and that asset lasts 6-9 months before renewal. That is where you should spend 10-20% of the budget. The error is spending in-house production on reach spots —pretty and expensive— when UGC does that job better and 4x cheaper. In-house to convert; UGC to be discovered. The most expensive allocation error is putting 80% of the budget into in-house reach production and leaving ungoverned the UGC that actually fills tables. I have seen it in dozens of restaurants: polished spots of 3,000-6,000 USD that nobody asks for, with a cost per thousand impressions of 18-25 USD, while UGC would land at 4-8 USD per thousand.

4. The allocation error I see over and over

A 14-unit group came to Masterrestaurant burning 22,000 USD per quarter on brand production with an 11 USD CAC; by flipping the ratio to 20/80 and building a brand brief for creators, CAC dropped to 6.50 USD in two quarters and organic reach tripled. The cash rule is simple: if a dollar buys discovery, it goes to UGC; if it buys conversion from someone who already found you, it goes to in-house production. Mixing them without a scorecard is throwing budget away. Governing UGC means setting a brand brief that fixes message, framing and call to action without killing the creator's voice, and that is the difference between a measurable channel and viral smoke. Diego F. Parra structures the brief in three layers: brand non-negotiables (name, location, offer), the creator's creative freedom zone, and a UTM code or per-creator coupon to attribute reservations.

5. Governing UGC: the brand brief turns creators into a measurable channel

With that traceability, a group moves from not knowing which video sold to measuring cost per customer per creator: those performing under 6 USD CAC get renewed, those over 12 USD get cut. Governance cost is low—a part-time coordinator handles 10-15 creators—and it raises spend efficiency by 30% to 45%. Without a brief, UGC is a lottery; with a brief, it is an acquisition channel with a dashboard, as predictable as a paid campaign. The marginal marketing dollar is allocated with a scorecard that separates discovery metrics from conversion metrics, not by aesthetic intuition. Diego F. Parra recommends three numbers per channel each month: cost per thousand impressions for discovery, cost per attributed customer for acquisition, and listing conversion rate for owned assets. The Masterrestaurant operating rule: if UGC CAC is under 7 USD and still falling, move 5-10% more budget there until it rises; if delivery listing conversion is under 8%, invest in in-house production before more reach.

6. The scorecard: how to allocate the marginal marketing dollar

In a 14-unit group that dashboard cut budget waste by 34% in one year. The ratio is not dogma—start at 80/20 UGC/production and adjust each quarter based on which dollar moved a real reservation, not a like. UGC isn't 'cheap content': it's an acquisition channel with its own unit economics. Measured right, it lowers customer acquisition cost because it buys social proof at scale; measured by likes, it's smoke. In-house production isn't 'expensive content': it's conversion infrastructure. The photographed menu and delivery listing are assets that amortize on every order for months, not a one-campaign expense. The allocation error I see over and over: groups putting 80% of budget into in-house reach production—pretty spots nobody orders from—and leaving ungoverned the UGC that actually fills tables on a Tuesday.

POINT BY POINT

UGC vs in-house production: the dollar-by-dollar analysis

ACQUISITION COST

A · GOVERNED UGC UGC: discovery at \$3.10 per new guest

B · MASTERRESTAURANT In-house: \$11.40 per new guest

Verdict: UGC wins acquisition: 3.7x more efficient in cost per new guest.

FINAL CONVERSION

A · GOVERNED UGC UGC: 2.4% click-to-order in delivery

B · MASTERRESTAURANT In-house: 4.1% with photographed menu and listing

Verdict: In-house production wins conversion: the sale closes with controlled brand assets.

SCALABILITY

A · GOVERNED UGC UGC: creator network replicable per market

B · MASTERRESTAURANT In-house: studio bottleneck

Verdict: UGC scales to 40 units without multiplying fixed cost; in-house production doesn't.

LTV IMPACT

A · GOVERNED UGC UGC: +9% repeat (fuzzy recall)

B · MASTERRESTAURANT In-house: +21% repeat (consistency)

Verdict: In-house production's brand consistency protects guest LTV at 90 days.

SIDE-BY-SIDE COMPARISON

When UGC wins the dollar TOP OF THE FUNNEL

- ✗ You need discovery volume across markets at the same acquisition cost.
- ✗ The product is photogenic and the experience triggers real spontaneous reactions.
- ✗ You have a brand brief that governs creators without muting their voice.
- ✗ You measure repeat visits by cohort, not just reach or likes.

When in-house production wins the dollar MASTERESTAURANT

- ✓ The asset closes the sale: delivery listing, photographed menu, brand film.
- ✓ Premium positioning demands visual consistency UGC can't guarantee.
- ✓ You're launching a new brand and must set the visual codes from day one.
- ✓ The asset amortizes across hundreds of thousands of impressions (evergreen).

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The numbers that move the decision

8400

restaurant units analyzed across 43 countries by the Masterrestaurant method

38%

acquisition cost reduction when moving discovery from in-house production to governed UGC

4x

more trust reported in content from real users versus brand advertising

79%

of diners say UGC highly influences where they decide to eat

4.1%

click-to-order delivery conversion with in-house photographed menu vs 2.4% with user photos

21%

higher 90-day repeat when the conversion listing keeps brand consistency

VISUALIZATION

The numbers, visualized

acquisition cost reduction when moving discovery from in-house production to governed UGC



more trust reported in content from real users versus brand advertising



of diners say UGC highly influences where they decide to eat



click-to-order delivery conversion with in-house photographed menu vs 2.4% with user photos



higher 90-day repeat when the conversion listing keeps brand consistency



Sources: Masterrestaurant internal data · [Nielsen 2026](#) · [Stackla / Nosto 2026](#)

Chart by masterrestaurant.com

REAL CASE

“A 14-unit group spent \$9,200 a month on studio spots with 0.6% conversion to reservation. We reallocated: 70% to governed UGC per market, 30% to rebuilding the 14 delivery listings and the photographed menu. In 90 days acquisition cost dropped from \$10.80 to \$4.90 per guest and repeat visits rose 19%. Same budget, different cash.”

— **Diego F. Parra, Masterrestaurant consultant**

HOW TO APPLY IT IN YOUR RESTAURANT

90-day strategic roadmap

- 1 Phase 1 (days 1-30): Content unit-economics audit**
Deliverable: a scorecard of CAC, LTV and conversion by channel and by current asset. Success metric: identify the 20% of assets driving 80% of reservations and the dead reach spend. Without this baseline there's no decision architecture, only opinion.
- 2 Phase 2 (days 31-60): UGC governance per market**
Deliverable: a network of 3-5 local creators per unit under a versioned brand brief and an approval console. Success metric: customer acquisition cost below \$5 and 8 new pieces per unit per month with reputational risk under control.

3

Phase 3 (days 61-90): Hardening in-house conversion

Deliverable: photographed menu and delivery listing rebuilt with in-house production in top units.
Success metric: click-to-order conversion above 4% and +15% in retention and repeat at 90 days. In-house production no longer competes with UGC: it finishes the play.

FAQ

Board-level frequently asked questions

Does UGC replace in-house production?

No. UGC buys discovery at low acquisition cost and fills the top of the funnel; in-house production secures conversion and brand consistency. Around 70-80% of budget goes to governed UGC and the rest to the in-house assets that close the sale and raise guest LTV.

How do you measure UGC return beyond likes?

By cohort: customer acquisition cost, click-to-order delivery conversion and 90-day repeat visits. A creator who adds followers but moves no reservations is spend, not investment. Masterrestaurant's M&E console attributes every dollar to the actual booking.

What reputational risk comes with scaling UGC?

The main risk is an uncontrolled voice. It's mitigated with governance: a versioned brand brief, prior approval and a curated creator network per market. Well governed, UGC lowers risk versus a single studio message that can age badly across all units at once.

How fast does the cash impact show?

In the Masterrestaurant method, budget reallocation moves acquisition cost in 30-60 days and repeat visits in 90. The 12-24 month EBITDA impact depends on hardening in-house conversion: without a delivery listing or photographed menu, UGC brings traffic that doesn't close.

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
Video corto y descubrimiento	el video corto es el canal de descubrimiento de restaurantes que más crece	Forbes

Metric	Benchmark 2026	Source
Delivery en América Latina	las apps de última milla sostienen crecimiento de doble dígito anual	Bloomberg Línea
Preferencia de pedido directo	67% prefiere pedir desde la web/app del restaurante	Statista
Crecimiento del pedido online	+300% más rápido que el dine-in desde 2014	Nation's Restaurant News
Adopción de apps de comida	78% de adultos descargó ≥1 app de comida	National Restaurant Association
Tendencias de consumo digital	el delivery digital crece a doble dígito anual	World Economic Forum

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