

Why You Should Give Your Food Away [JUST THIS ONCE]

by CHAD RUEFFERT

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Most restaurant owners consider giving away food to be more painful than pulling teeth. In the 15 years I've been a strategic marketing consultant, I've heard all the reasons restaurant owners think giving away food is a bad idea.

"It lowers my profit," they say. "It demeans the quality of my product." "It attracts the wrong kind of customer." "I just work harder for the same amount of money."

All of these reasons are valid.

But there *is* an exception to the rule.

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Restaurant marketing expert David Scott Peters calls couponing the “cocaine of restaurant marketing” because it provides a short-term rush of customers that can be addictive and eventually

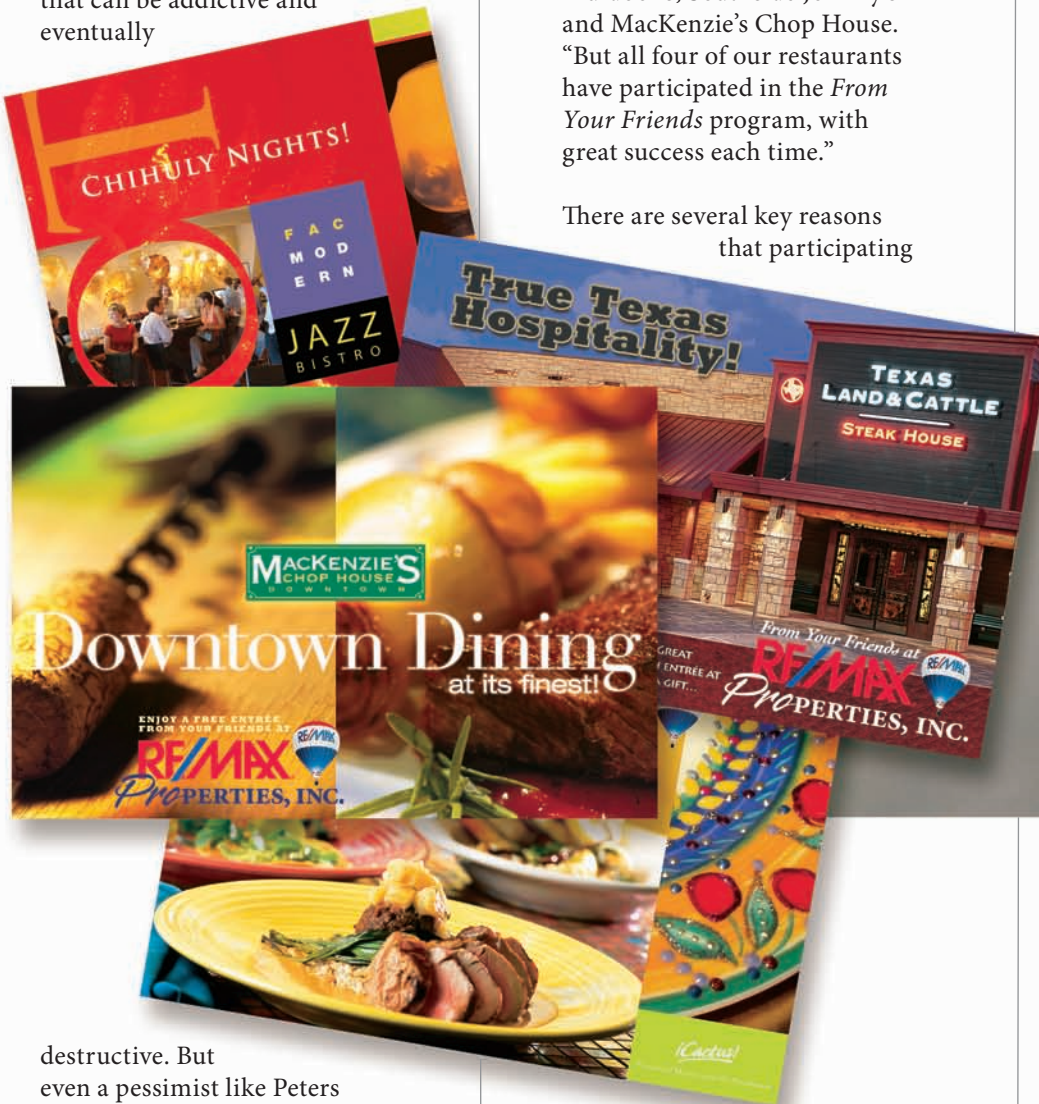
quality restaurants across the country who have participated. “We almost never discount our food,” says Luke Travins, general manager of Concept Restaurants, which includes The Ritz Grill, Jose Muldoons, Southside Johnny’s and MacKenzie’s Chop House. “But all four of our restaurants have participated in the *From Your Friends* program, with great success each time.”

There are several key reasons that participating

buy it again later without one. Research shows that consumers will travel farther and even change brand loyalties when offered a significant incentive to do so. Marketing guru Jay Abraham defines the psychology of coupon use as “risk reversal.” By lowering the cost of trying your product, you remove some of the risk and therefore also remove the primary obstacle to buying.

Impactful, Creative Advertising With A Big Branding Impact

Even without the incentive, *From Your Friends* marketing pieces could stand on their own



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destructive. But even a pessimist like Peters acknowledges, “Let me make sure I let you know that all couponing is not bad. It has its place and needs to be done wisely and strategically.”

While it’s true that the continuous and non-judicious use of discounts and coupons can hurt the image and profitability of your restaurant, it’s also true that the strategic use of limited-time, targeted incentives can result in a controlled increase of new quality customers and repeat business.

This second truth is why the *From Your Friends* program works so well for the dozens of high

in the *From Your Friends* program is a “wise and strategic” way to use free food to generate additional revenues, profits and long-term customers.

Consumer Incentives Really Do Drive Traffic

Advertising Age magazine says that 87% of all consumers use advertised discounts (coupons) regularly. In 2006 alone, consumers made use of over 3 billion printed discount coupons. More than 50 percent of people who buy something for the first time with a coupon will

merits. Each full color direct mail piece is custom designed by an award-winning graphic design and creative copywriting team. This 6x9, full color, glossy marketing piece stands head and shoulders above other advertising vehicles when it comes to visual impact. Even the people who never redeem the discount will be impacted by this beautiful direct mail piece promoting all the wonderful reasons to visit your outstanding restaurant.

There is a Big Difference Between “Thank You” Gifts and Coupons

From Your Friends is a co-promotion with your local real estate agents to a select group of recipients. The recipients view this as a “gift” rather than a coupon. Your offer is not part of a coupon book, is not sandwiched in with

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other offers and is not available to the general public. Instead it's sent from a trusted business partner as a "thank you" for their business, complete with the implied endorsement from that business partner that your restaurant is worth visiting.

Recipients Who Are Right On Target

The recipients of *From Your Friends* promotions are the past and current customers of local real estate agents—mostly affluent homeowners. Many of these people are recent home buyers and are therefore new to the area. They have no long-term relationships with local restaurants and are very receptive to advertising and incentives. And because this direct mail piece is coming from someone they have already done business with and trust, they don't ignore it like they would a piece of unsolicited junk mail.

Plus, these affluent homeowners aren't your typical coupon users. *From Your Friends* customers aren't looking to save money. They use their restaurant discounts to enhance their dining experience, rather than to save money. Most go to a restaurant with a top expenditure in mind. If they receive \$20 in free food, they will use the savings to enhance their dining experience with an additional appetizer and dessert or perhaps a more expensive bottle of wine. And they walk away remembering an outstanding dining experience at a reasonable cost. "This is the single best marketing program we've done since we opened," says Greg Howard, owner of McCabe's Restaurant. "New customers came in every day until our expiration date. Nearly all of them bought additional menu items or brought in friends, and I am already starting to see some of them become repeat customers."

Customized, Limited Time Offers

From Your Friends customizes each and every offer to ensure it is a good fit and discusses ways to tailor your offer to make the most positive impact on your bottom line. And unlike the Entertainment Book and other similar products, the offers have a maximum redemption period of 60 days, providing immediate incentive for use, which results in quicker repeat business.



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You're Part of a Team With Hundreds of Loud Cheerleaders

One of the benefits of a co-promotion is allying yourself with a marketing powerhouse. When you join the *From Your Friends* team you immediately have hundreds of well-connected real estate agents serving as cheerleaders for your restaurant. The invaluable recommendations and word of mouth advertising is something you simply can't get from any other advertising opportunity.

Trading Food For Advertising Makes Good Financial Sense

If you were to purchase a similar direct mail program at full cost, you'd likely spend \$5,000 to \$8,000. That's money that comes directly out of your profits. And you'd have to spend it up-front with no guarantees of results. The same is true when you pay for a radio spot or buy an ad in the local newspaper—the money is spent regardless of the results. With the *From Your Friends* program, you spend absolutely nothing until a customer walks in the door. And when they do walk in the door, they come hand-in-hand with at least one full-paying customer (and often a full family of them!). Not to mention all the ancillary purchases of appetizers, desserts and beverages. Unless your restaurant is already operating at full capacity, then the fixed costs of operation don't change when you ad a few extra customers every day. The servers are already there, the chefs are already there, and the rent is already paid. The extra customers simply generate extra income and repeat business. Unless every table in your restaurant is already full, the dollars make a lot of sense.

Chad Rueffert is the president of Braintree Marketing, Inc., a full-service advertising agency and marketing consultant and the creator of the From Your Friends program