

## Operators find that giving is more than its own reward in charity tie-ins that also boost sales

By GREGG CEBRZYNSKI

**(Sept. 29, 2008)** Boudin Bakery didn't realize how well it would benefit from a fundraiser while also helping the charity involved until the first such event was held, for the opening of a new Boudin SF fast-casual branch in Stockton, Calif.



Customers recently camped out the night before the debut of Boudin SF in Stockton, Calif., because its first 100 patrons would receive "Daily Bread" cards good for a year of free bread. But the first spot in line was reserved for a local food bank.

in the community, and "99.9 percent of them come away from them feeling good about the brand," Duke said. "That's the No.1 way to drive sales."

Boudin SF gave away "Daily Bread" cards good for a year's supply of bread to the first 100 customers at the new location. Customers camped out overnight to get in, but the first spot was reserved for the Greater Stockton Emergency Food Bank.

Donating bread to a food bank was a natural fit for Boudin, DeBrosse said.

Now Boudin plans to hold other fundraisers when it opens new units in 2009, she said. [Boudin Bakery](#) currently has eight Boudin SF units and 20 Boudin bakery-cafes.

Choosing a charity that's a "natural fit" is the key to a successful fundraiser, Duke said.

"Don't choose an organization to partner with unless it's meaningful for your brand," she said, "because consumers can see through that."

The 16-unit Grand Traverse Pie Co., based in Traverse City, Mich., increased sales by more than 10 percent earlier this year when it raised about \$26,000 to benefit local chapters of the Susan G. Komen for the Cure foundation, which is dedicated to fighting breast cancer. Featuring a through-Mother's Day time frame, the "Pie for the Cure" fundraiser was the first such systemwide event for the chain and "helped bond us together collectively as a brand," president Mike Busley said.

Timing, like choosing the right charity to support, is a critical factor in driving incremental sales through fundraising. Grand Traverse Pie Co.'s event began Jan. 23, National Pie Day, and ran until Mother's Day. That period is "traditionally not the strongest pie season," Busley said.

The sourdough-bread specialty restaurant opened with one of the strongest sales days ever recorded by the historic, San Francisco-based bakery and cafe operator.

Not only that, the publicity and goodwill the fundraiser generated have contributed to strong sales at the Stockton branch since it debuted in August, said [Gayle](#) De-Brosse, Boudin's executive vice president of business development.

Other chains, like Rubio's Fresh Mexican Grill, have found that added generosity—in the form of a higher-than-typical percentage of sales given to beneficiary groups—draws in more customers than would come otherwise during charitable campaigns.

Charities are considered the main beneficiaries of fundraisers, but restaurants that incorporate the events into a strong local-store marketing effort can drive sales not only during the fundraiser but long afterward, said Linda Duke, chief executive of Duke Marketing, based in San Rafael, Calif.

The "feeding your soul" aspect of fundraisers connects the brand to customers

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Based on that success, he said, the chain plans to hold one "major" fundraiser each year.

Rubio's Fresh Mexican Grill, based in Carlsbad, Calif., with more than 185 units, holds fundraisers throughout the year to drive customer traffic and sales on such slow days as Monday, Wednesday and Thursday, said Larry Rusinko, senior vice president of marketing and product development.

Fundraising is an integral part of the chain's local-store marketing tool kit, he said, and Rubio's donates 20 percent of the proceeds to the featured charity. That amount is "on the high side," he added, because he's been told that charities traditionally receive 10 to 15 percent of an event's sales. Rubio's goes higher for a tactical reason.

"It brings more people in," Rusinko said.

The chain's fundraisers often benefit schools and youth organizations, which gives Rubio's an opportunity to make young diners aware of the brand.

"Obviously what we want to do is be in on their mind-set early on," Rusinko said.

Rubio's also holds fundraisers tied to grand openings. Like Boudin SF, it recently opened a unit in Stockton, Calif., and partnered with the chamber of commerce to raise funds for the Children's [Home](#) in that city. Because of media coverage and a meal-card giveaway the next day, the unit "opened very strongly," Rusinko said.

"We're very pleased with sales," he said. "Food costs and labor are minimal compared to the publicity we generate early on."

The [Applebee's Neighborhood Grill & Bar](#) chain, based in Lenexa, Kan., views fundraisers as essential to its brand image, otherwise it would not be able to position itself as the "world's greatest neighbor," said Patrick Lenow, executive director of corporate communications for parent company DineEquity Inc., which also owns [IHOP](#).

Applebee's franchisees held more than 15,000 fundraisers last year, ranging from car washes and group nights to a benefit for the family of a firefighter who was killed on the job.

Franchisees hold fundraisers "for all the right social reasons," Lenow said, but "we also think there's a very strong strategic business reason to be involved."

Applebee's franchisees report that customer loyalty has increased because of fundraisers, and holding benefits "will become a bigger part of our strategy in the future," Lenow said.

The strongest sales week during the year for IHOP occurs when the chain holds its annual National Pancake Day to benefit Children's Miracle Network, Lenow said.

"We definitely generate new business," he said. "It has an effect on the entire week."



Grand Traverse Pie Co. ran a fundraising promotion from late January through Mother's Day, a traditionally slow period for the chain.