

Restaurant Business

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STREET SMARTS FOR THE ENTREPRENEUR

MARKETING YOUR WAY
THROUGH THE RECESSION

GET A DEAL ON EVERYTHING: MARKETING EDITION

You have to spend money to make money,
and these days you don't need to spend that much.

BY DANA TANYERI

TURNING INTO A CHEAPSKATE WHEN IT COMES TO ADVERTISING and marketing? You're not alone. Shrinking sales have plenty of operators shifting dollars away to other areas considered more essential for business survival.

Failing to market during the downturn, however, means failing to compete for the precious few dollars customers are parting with on food away from home. It's giving it up to the other guy, and that's not going to get you through.

The good news is that you don't have to spend a lot to stay in the game. When it comes to getting deals on media buys, Linda Duke of Duke Marketing in San Rafael, California, says

that right now all you really have to do is ask. "Every ad rep is ready to work deals," she says. "Just spell out what you want to do, who you want to reach, what you want to spend and ask him or her to put together a package with the best value possible. You'll be surprised at what you can get."

Here's where some of the best deals can be found now and tips from pros on how to make them work hardest for you:

Print Newspapers, in particular, are suffering and are more willing than ever to give discounts, says Jessica Lampron, director of marketing at mediabids.com, an online service that sells and auctions off discounted print ad space. "We're seeing huge discounts—up to 90 percent off rate card—because publications really want to move inventory."

Working through a broker such as mediabids.com, or through traditional advertising agencies that buy space for multiple clients, can net significant savings. But so, too, can simply staying on top of the market and letting ad reps know to contact you when cheap deals are available.

"You might be able to get remnant space in newspapers, space that another advertiser backed out of at the last minute," says Rich Hope, president of Sirius Advertising in Avon, New Jersey. "Let your rep know that you want to be contacted whenever they have this kind of space to fill. If you're nimble you can easily save as much as half off."



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Making a bigger commitment can also pay off. John Shay, vice president of operations at Las Casuelas Terraza, a family-owned restaurant group in Palm Springs, California, says his company continues to run print ads as an important part of its branding program. "We're fortunate that we still have money to spend and we've stayed current on payments. We're able to negotiate good deals from a position of strength," he says. "We can buy bigger blocks of space and spread it out over the year, getting much lower cost per ad than if we bought just one or two."

Shay adds that most publications will throw in free online exposure with print ads. "Once they figure out an online revenue model that may no longer be the case, but right now they're virtually giving online ads away," he says.

Hope of Sirius and Mike Schaffer, an account executive at Brotman Winter Fried Communications in Falls Church, Virginia, say weekly community newspapers are another



great way to get a lot for a little. "They're very widely read because they're often the only source for community news. And they cost a lot less than daily papers," says Schaffer. "Dollar for dollar they can be your best local buy."

Radio Radio is always negotiable and you can get great value-added programs included for the price of your ad. Most stations will happily do van stops, promotions, sample your food, give away your gift cards and talk about your restaurant on the air.

Las Casuelas Terraza loves radio for this reason, says Shay. "We arrange for DJs to come in for a meal and they go back and rave about us on the air. They get coupons to give to their listeners. The DJs come and do live remotes here. They're willing to do it for a lower fee than straight advertising."

"If you buy the right time slots on the right stations, you can get great deals," adds Schaffer. "Drive times are usually

the most expensive, but there are stations where the reverse is true and you can get good drive-time rates. Buying a rotator ad that stations can run at any time saves you money, as well."

He says most stations are receptive to cash and trade deals, where a station might take half the value of an ad in cash and the other half in trade. And he adds that stations in smaller markets often have packages geared to small businesses. "They may give you 60 or 70 spots for \$1,000, which is an incredible rate. It pays to ask."

Billboards They're often expensive, but can be very effective for driving traffic because they reach so many people in a trading area, says Hope. And like newspapers, they may be open in a down market to negotiating deals and selling discounted remnant space. "Companies that have artwork already produced or those with digital files that can fit into



digital billboard rotations can snag some great buys," he says.

He also recommends checking out rotating billboards. "Smaller billboards can sometimes be purchased this way," he says. "You buy a certain number of locations per month with exposure to 25 percent or maybe 10 percent of the market every day. You might have one on Main Street, one on a highway and one on a surface street. The next month, they get switched to three different locations. The billboard real estate is cheaper when you purchase it on a rotating basis."

E-mail & texting These tactics are growing fast in large part because they're so cost-effective. "E-mail is one of the big beneficiaries of the economic crisis," says Simms Jenkins, CEO of BrightWave Marketing in Atlanta. While it's not as cheap and easy as it may seem to do it right, he says, it offers great return on investment. "The Direct Marketing

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Association reports that in 2008 the ROI for every dollar spent on e-mail was \$45.06. That far surpasses everything else in the direct marketing world."

Another benefit: it's permission-based. Everyone on your distribution list has said they want to receive communications from you. Just be sure, he says, that what you send out is unique and has real value or they'll opt out.

Doing e-mail in-house can run as cheap as \$100 a month for packaged software programs. If you have someone on staff who can spend the time and learn the ins and outs, they're a bargain. But Jenkins cautions that while cheap programs can give you functionality, they're short on managing complexities such as image suppression, deliverability issues and legal compliance. "You have to know what you're doing," he says. "There are too many things that can hurt your brand, insult your customers and land you in a legal mine field if you do it wrong."

Texting sends messages direct to customers' cell phones. It, too, is relatively inexpensive—around 10 cents per impression compared to just a penny or two for e-mail, says Hope. And it's great for disseminating coupons and deals to customers who simply need to show their phone to receive the discount. But texting requires extra diligence in list development. "With e-mail, people don't like receiving spam but it doesn't cost them anything. With texting, it does so be sure they double opt-in," he notes.

Social networking Tapping sites like Facebook and Twitter are huge opportunities for what is essentially free advertising and the chance to have users be online ambassadors for your brand. The only cost is the time it takes to create pages and keep them current.



"Yes, it's cheap and easy, but you have to be strategic," Hope advises. "You can't just post a Facebook page. If you don't work it right you'll lose your audience. This generation will even resent you if you don't update it and stay active."

Reynolds says an added benefit of online social networks is they're easily interconnected. "We use Twitter to get quick messages out about things like a new menu item, or the beautiful spring asparagus that's just come in. It's easy and costs nothing. And we use one media to drive people to another," she says. "If a client gets a review in the paper, we post it on their Web site, on their Facebook page, we send out a link on Twitter. It makes it easy to maximize coverage."

Cause marketing Sometimes, the best way to get cheap marketing is to hitch your wagon to a partner's—especially if the partner is a charity or cause. One of Duke's clients, Grand Traverse Pie Company in Michigan, did so recently with great results. "We ran a Pie for the Cure promotion in which 50 cents of every whole pie sold was donated to Susan G. Komen for the Cure. We let radio, TV stations and newspapers know we'd be raising funds and asked them to advertise for us. We got PSAs, we appeared on morning TV news, papers gave us half-off, radio gave us a free schedule in a couple of markets. They treated us like a nonprofit."

Duke secured extra value by partnering with the Michigan Apple Council, which matched the 50 cent per pie donation for every apple or apple crumb pie sold on Fridays. In exchange for including its logo in the ads, the council helped to support the promotion and the cost of media.

Restaurants including Joe's Crab Shack, Lone Star Steakhouse and The Capital Grille tap cause-related marketing by participating in Share Our Strength's Great American Dine Out campaign to end childhood hunger. Share Our Strength provides all of the marketing and POS materials to ensure success and includes participating operations in extensive advertising and PR efforts.

"Opportunities like that are great," Duke says. "They do the PR and let you piggyback on their media buys. It's called 'other people's money' and that's one option operators need to be looking at right now."