

Quick Guide to ADVERTISING YOUR RESTAURANT

QUICK SERVE/FAST CASUAL RESTAURANTS

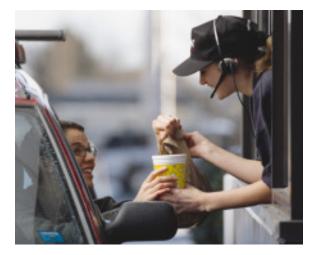
Let me paraphrase M. Scott Peck, author of The Road Less Travelled:

[Running a Restaurant] is difficult. This is a great truth, one of the greatest truths. It is a great truth because once we truly see this truth, we transcend it. Once we truly know that [Running a Restaurant] is difficultonce we truly understand and accept it-then life is no longer difficult. Because once it is accepted, the fact that [Running a Restaurant] is difficult no longer matters."

- M. Scott Peck

Ok, so he was actually talking about life in general, but I think it applies to specific as well. Quick Serve/Fast Casual Restaurants are under a multitude of threats. From prepared meals at the grocery store to an increasingly saturated market, from health concerns to a technology arms race, Quick Serve and Fast Casual Restaurants are faced not only with traditional management issues, but a growing number of outside factors that challenge day to day decisions. The current landscape affects not only the large chains, but independents as well. When large conglomerates are willing to chase ever smaller markets, it can quickly devolve into a race to the bottom.

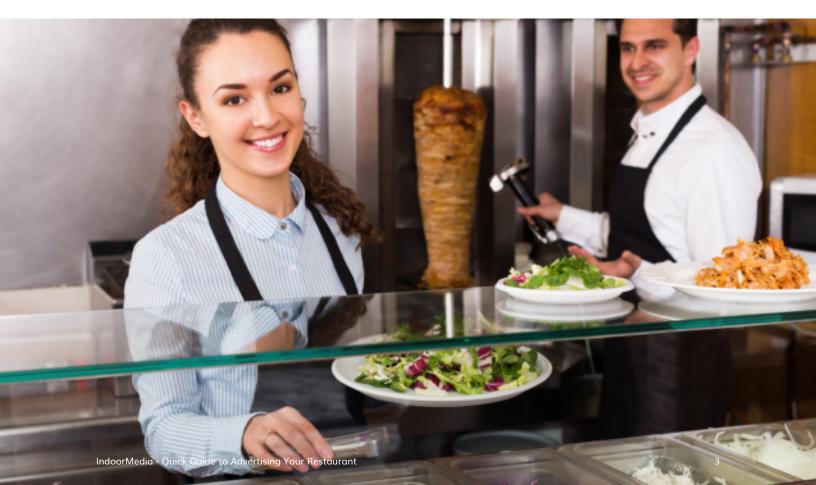
Industry trends are beyond the ability of a single business to control, not matter their size. However, how your organization fits in that landscape is entirely up to you. Defining and reflecting your unique selling proposition is an essential step in transcending these challenges.



There does remain a critical next step, however. Once you know your USP, how do you communicate it to your customer base? This is the essence of advertising and, when done properly, can take you above the turmoil and noise of your competition.

At IndoorMedia, we have looked at thousands of advertising campaigns over the past 30 years for QSR's and Fast Casual Restaurants and the evidence speaks for itself. The most successful advertisers apply a disciplined approach to their advertising. They favor a balance of risk vs. reward and consistently measure results. Restaurants in this segment need to start with a foundation of proven strategies and then add riskier advertising methodologies.

One of the best foundations is to use direct response advertising in the form of coupons. Of all direct response techniques, coupons stand apart as the most compelling way to prompt customers to act. Another reason coupons can be particularly useful for Quick Server/Fast Casual Restaurants is that they can be very profitable.





To be successful, advertising must have another characteristic: it must be profitable. In IndoorMedia's experience, we've seen owners calculate that profit in two ways. The first group looks at their average ticket sale and figures out how many tickets are needed to pay for each of their expenses. For example, with a \$30 average ticket and \$3000 rent. it take 100 customers to cover that cost. Using this method, you can look at how many sales it takes to cover the cost of the advertising. This quick, back-of-the-napkin approach is a good go by on calculating ROI.

The other approach is to figure out the exact profit each ticket

actually brings in. The formula goes something like this:

COUPON SALES

- Ad Cost
- Variable Costs*

MARGINAL PROFIT**

* Only use the costs that are used for the transaction, things like rent are paid no matter if the coupon ads work or not.

** You may need to consider that some existing customers will use the coupon as well!

This method requires a bit more work to calculate, but for those who like rounding to the penny, it offers the exact ROI for your ad campaign.

FOUNDATIONAL ADVERTISING: REGISTER TAPE COUPONS

Register Tape advertising should be a foundational component of any Restaurant's advertising efforts.

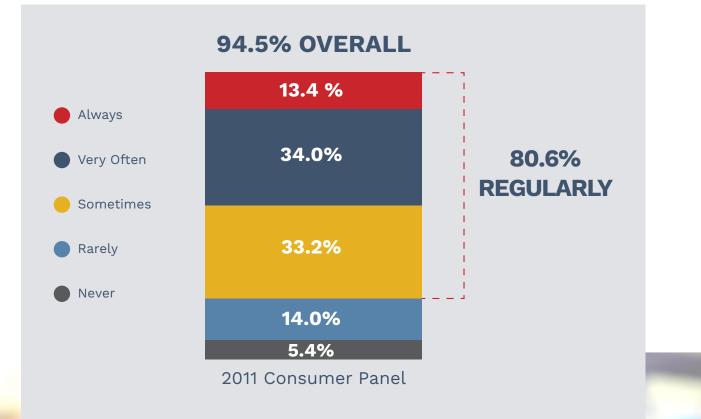
With a proven history of success and low entry costs it is one of the easiest way to kick off your advertising and can help pay for more risky efforts, like digital.

- 1 Register Tapes has been proven successful for Restaurants over the past 30 years.
- 2 Your coupon is customized to your exact specifications.
- 3 Your coupon is placed directly into the hands of the coupon users by the cashier, along with his or her change.
- 4 Your get continuous blanket exposure every day to thousands of shoppers in your targeted marketing area.

- 5 Your get daily measureable responses–easy to track.
- 6 You have the option to purchase an exclusive for your business category that "locks out" your competition.
 - Your coupon's low costperthousand permits you to have a high rate of exposure! Result? Affordable new business!
 - Your business receives the "implied endorsement" of a Multi-Million Dollar Corporation.



OVER 90% OF CONSUMERS SURVEYED INDICATE THEY USE COUPONS



2011 NCH Consumer Survey: Demographic Profile of Coupon Users

YOU DO THE MATH



DISTRIBUTION AND REACH = INTO THEIR HANDS!

- **NOT** on the driveway
- **NOT** in the mailbox
- NOT on the TV or radio

TOP COUPONS FOR THE RESTAURANT INDUSTRY - BURGERS

We decided to try the HEB receipt advertising because our sister company has been advertising 6 Wingstop locations on 7 HEB stores in Central Texas for 2 years. In only 31 days running on the Temple HEB, we are seeing 10-20 PER DAY. Our location in New Braunsfels is getting 30-40 coupons after 50 days, INCREASING TRAFFIC COUNTS 25%."



Ms. Abreu - Smashburger AVG TICKET: \$8 REDEMPTIONS: 280/mo.



Burger King AVG TICKET: \$8 REDEMPTIONS: 300/mo.



McDonalds - Houston AVG TICKET: \$8 STORES: 22 REDEMPTIONS: 620/mo.



Sonic AVG TICKET: \$8 REDEMPTIONS: 400/mo.

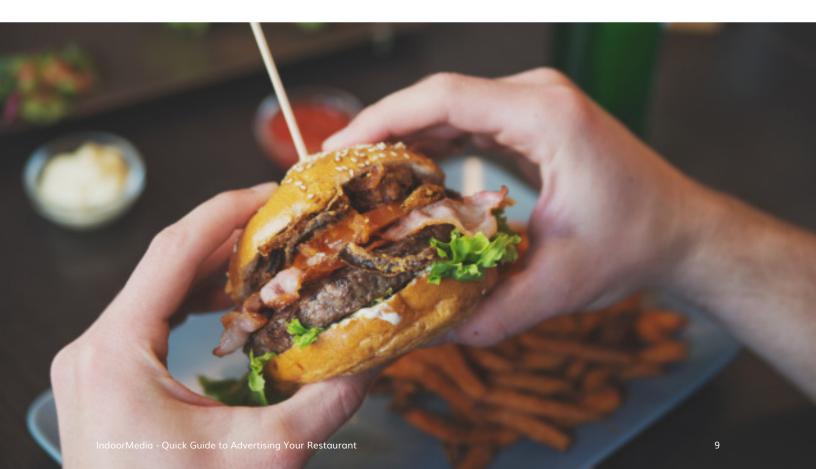


Wendy's AVG TICKET: \$8 REDEMPTIONS: 300/mo.



Zips Drive-In AVG TICKET: \$8 REDEMPTIONS: 400/mo.

> "IN ONLY 31 DAYS RUNNING ON THE TEMPLE HEB, WE ARE SEEING 10-20 PER DAY."



TOP COUPONS FOR THE RESTAURANT INDUSTRY - CHICKEN

We have been on the tapes for 6 months and had a return on our investment of 7-1 ratio. It's an inexpensive way to advertise and our customers love coupons. We will continue with RTUI's service."



Miguel Mayagoitia -Wing Daddy's AVG TICKET: \$25 REDEMPTIONS: 140/mo.



KFC

AVG TICKET: \$9 REDEMPTIONS: 80/mo.



Chick-Fil-A AVG TICKET: \$12 REDEMPTIONS: 1,300/mo.



Popeye's AVG TICKET: \$12 REDEMPTIONS: 500/mo.



Buffalo Wings and Rings AVG TICKET: \$32 REDEMPTIONS: 300/mo.

TOP COUPONS FOR THE RESTAURANT INDUSTRY - FAMILY STYLE

In 2013 we opened our Diner in Aston, PA. We ran an ad in Giant to announce our Grand Opening. We got a good reponse, but decided to not renew the ad for next cycle. We felt we no longer needed it. This was a mistake. Many of our customers complained because we dropped the program. We have just signed a new annual contract. We will stay with the program as long as it is available."



Ismet Usta - Aston Diner AVG TICKET: \$14 REDEMPTIONS: 300/mo.



Trivet Family Restaurant AVG TICKET: \$15 STORES: 2 REDEMPTIONS: 1,000/mo.



Arooga's Grille House AVG TICKET: \$25 STORES: 9 REDEMPTIONS: 6,000/mo.



Denny's AVG TICKET: \$20 REDEMPTIONS: 120/mo.



Apple Orchard Cafe AVG TICKET: \$9 REDEMPTIONS: 1,400/mo.





Park Place Sports Bar & Grill AVG TICKET: \$24 REDEMPTIONS: 120/mo.

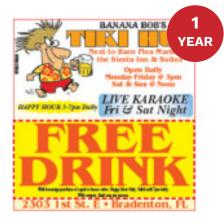


TOP COUPONS FOR THE RESTAURANT INDUSTRY - FINE DINING

We were very skeptical of the receipt advertising program when we started on the Lakeway Randalls, but 5 months in we have just added the Bee Caves HEB to our campaign.The two keys are a great offer and tracking your coupons redeemed and the associated sales. In April we saw 157 redemptions, delivering more than \$3,000 in PROFITS - a \$9.43:\$1 return on investment. No other marketing we have tried is as profitable."



Ose Edobor & James Donwoodie - Owners REDEMPTIONS: 157/mo.



Banana Bob's Tiki Hut AVG TICKET: \$20 REDEMPTIONS: 72/mo.



Lyndon Diner AVG TICKET: \$20 REDEMPTIONS: 1,000/mo.



Oliverii AVG TICKET: \$35 REDEMPTIONS: 100/mo.

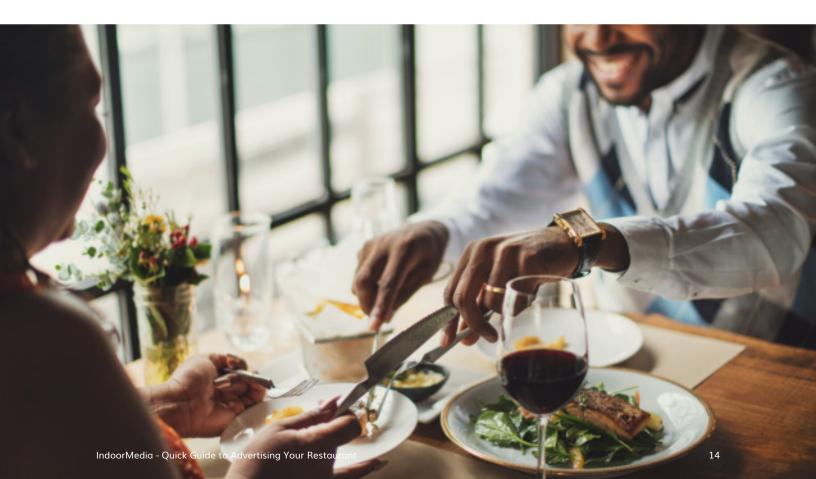


Fred's Inn Restaurant & Lodging AVG TICKET: \$57 REDEMPTIONS: 60/mo.



Jerry Bob's REDEMPTIONS: 560/mo.

"NO OTHER MARKETING WE HAVE TRIED IS AS PROFITABLE."



TOP COUPONS FOR THE RESTAURANT INDUSTRY - FROZEN TREATS

*We have been participating in the register tape program for 3 years now and have had an excellent return on our investment. I will definately renew our advertising and would recommend that other businesses try this type of advertising. NO OTHER ADVERTISING OUT THERE GIVES US THIS KIND OF RESULTS! All three locations use RTUI, and they take very good care of us."



Thu Nguyen - Tutti Frutti Frozen Yogurt REDEMPTIONS: 720/mo.



Lime Berry AVG TICKET: \$7 REDEMPTIONS: 200/mo.



Dairy Queen - Seattle REDEMPTIONS: 40/mo.



Dairy Queen - Lombard AVG TICKET: \$8 REDEMPTIONS: 400/mo. Corrange leaf Buy One, Get One 30% OFFF of qualer house rule. Che sogar per penor, per britis per rule. Che sogar get penor, per britis rule. Che sogar get penor, penor de trade che sogar get penor de trade che s

Orange Leaf Froze Yogurt REDEMPTIONS: 120/mo.

"I WILL DEFINATELY RENEW OUR ADVERTISING AND WOULD RECOMMEND THAT OTHER BUSINESSES TRY THIS TYPE OF ADVERTISING."

TOP COUPONS FOR THE RESTAURANT INDUSTRY - MEXICAN RESTAURANTS

"We have been advertising with Stater Bros. for 4 years and my son has been advertising his restaurant in Fontana, CA for 6 years now. This is a very good way to get new customers in our restaurant. We also see our regular customers more times a month."



Luis Calderon - El Chilitos #1 AVG TICKET: \$24 STORES: 2 REDEMPTIONS: 320/mo.



Alebrije Mexican Restaurant AVG TICKET: \$35 REDEMPTIONS: 100/mo.



Casa Real Cocina Mexicana AVG TICKET: \$50 REDEMPTIONS: 260/mo.



El Charro Mexican Grill AVG TICKET: \$40 REDEMPTIONS: 80/mo.



Torero Fam. Mex. Restaurant AVG TICKET: \$35 REDEMPTIONS: 100/mo.



La Fiesta AVG TICKET: \$40 REDEMPTIONS: 140/mo.



Los Arcos AVG TICKET: \$16 REDEMPTIONS: 310/mo.

"THIS IS A VERY GOOD WAY TO GET NEW CUSTOMERS IN OUR RESTAURANT."

TOP COUPONS FOR THE RESTAURANT INDUSTRY - ASIAN RESTAURANTS

"Excellent and efficient program with very obvious effect for promoting our business."



Vincent Chen - Bamboo Asian REDEMPTIONS: 280/mo.



Koibito Sushi & Teriyaki REDEMPTIONS: 40/mo.



Jaiyen Sushi & Noodle AVG TICKET: \$35 REDEMPTIONS: 52/mo.



Gold Coin Chinese Restaurant AVG TICKET: \$45 REDEMPTIONS: 80/mo.



Waba Grill AVG TICKET: \$12 REDEMPTIONS: 700/mo.



New China Buffet

AVG TICKET: \$14 Stores: 2 REDEMPTIONS: 120/mo.

"EXCELLENT AND EFFICIENT PROGRAM."



TOP COUPONS FOR THE RESTAURANT INDUSTRY - PIZZA

*The return on investment for this program beats any other form of advertising by a long shot. From the start, every month has seen around 15% growth in revenue. Because of this, we are one of the top 4 franchises in the entire chain. We would highly recommend this program to others."



Daniel Davis - Double Dave's REDEMPTIONS: 300/mo.



Today's Pizza AVG TICKET: \$25 REDEMPTIONS: 240/mo.



Nickelodeon Pizza AVG TICKET: \$35 REDEMPTIONS: 224/mo.



Brother's Pizza AVG TICKET: \$25 REDEMPTIONS: 300/mo.



Sara Bella Pizza

AVG TICKET: \$20 **REDEMPTIONS:** "A Lot, we stopped counting."

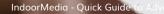


Papa Murphy's REDEMPTIONS: 120/mo.



Hill Country Ranch Pizzeria AVG TICKET: \$20 REDEMPTIONS: 105/mo.

"FROM THE START, EVERY MONTH HAS SEEN AROUND 15% GROWTH IN REVENUE."



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