



Market Brief

Tracking and interpreting chain restaurant trends

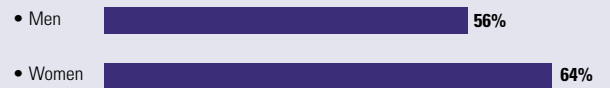
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CONSUMERS REACT POSITIVELY TO EMAIL MARKETING

While stories abound of consumers inundated with email advertisements and promotions from the retail stores and restaurants they frequent, many restaurants, both chain and independent, are successfully using email for brand and loyalty marketing, as well as for guest surveys. The volume of these offers continues to increase. In a national survey of 500 consumers, participants were asked if they would want to receive information about the restaurants they visit via email. Despite the explosive growth in emails consumers receive, three of five consumers (60%) agree they want to receive email promotions from the restaurants they visit. More women (64%) were interested in receiving this information than men (56%).

Customers who want to receive restaurant information via email

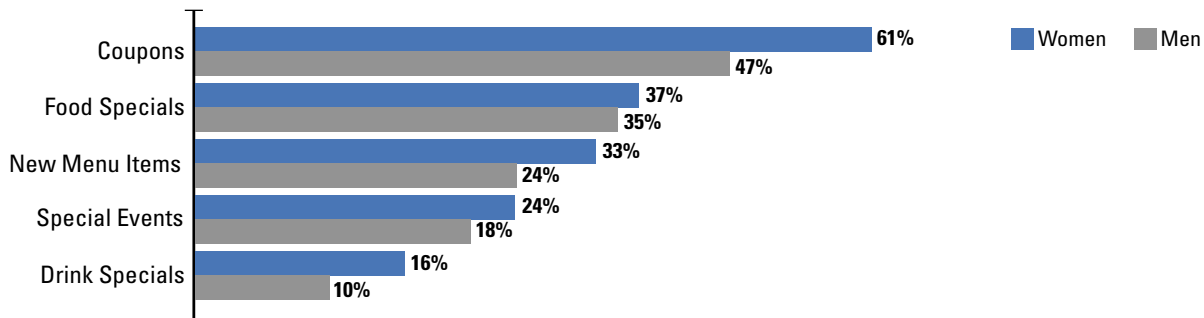
By gender



CONSUMERS ARE LOOKING FOR DEALS

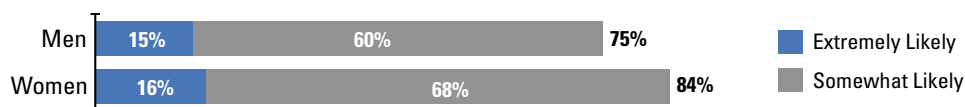
To better understand what consumers really want from restaurants via email, consumers were also asked about the types of information they want to receive. More than half of consumers (54%) would like to receive restaurant coupons. Over a third of consumers (36%) would also like to be informed of food specials and slightly less than a third of consumers (29%) want to know about their favorite restaurants' new menu items. Women are more interested than men in receiving information on all of these promotions, especially coupons.

Which of the following types of information are you interested in receiving via email?



But how likely are consumers to follow-up on email promotions by visiting these restaurants? Approximately 15% of consumers (men or women) say they would be extremely likely to respond to email offers. When we include "somewhat likely", more than three quarters of consumers say they are likely to respond. Even if just half of the "extremely likelys" responded, the conversion rate would be far higher than traditional direct mail.

How likely are you to visit a restaurant after receiving an email about a promotion?



CUSTOMERS WANT TO TELL YOU ABOUT THEIR VISIT

Consumers were asked if they have ever participated in a restaurant exit survey. Invitations to participate in these surveys either by phone or Internet are often displayed on the bottom of their restaurant receipts. More than half of the consumers interviewed (55%) report that they have taken at least one of these surveys in the past. It isn't necessary to offer an elaborate prize in return for their feedback. More than half of those who have taken an exit survey in the past "just wanted to provide feedback." However, some participants were motivated by discounts (40%), sweepstakes (38%) and coupons (32%).

In the past, what motivated you to take these restaurant satisfaction surveys?



► **Bottom Line:** *While this survey is conducted with consumers who are on the internet, the responsiveness to email marketing is still impressive. Many restaurants have built significant databases of consumers. The cost of reaching these consumers is far less than traditional direct mail. Even if consumers were not more responsive, the cost-benefits and reach of this approach would still be significant compared to direct mail.*

Business-Building Implications

- Over half of consumers are interested in receiving information about their favorite restaurants via email. If your restaurant does not already have an email database of your customers, now is the time to start. Incent customers to provide you with their email by offering to submit participants' names in a sweepstakes if they provide their name and email address, or create more motivating offers.
- More than half of all consumers are interested in receiving coupons via email. Create targeted promotions using your email database. Women are more likely to want coupons or to receive restaurant information via email. Consider sending coupons specifically targeted to women. Some special days for women include Mother's Day, Valentine's Day, International Women's Day (March 8th) and Women's Equality Day (August 26th). You can also use your database to send customized birthday and anniversary coupons.
- More than half of consumers report that they have taken a restaurant survey via the phone or email. Not only are exit surveys a method to obtain your customers' contact information or email, but they provide an opportunity to collect valuable information on perceptions of your restaurant and their likelihood to return in the future. If you use a receipt invitation for your customer survey, ask servers (at FSRs) and counter staff (at QSRs) to encourage customer feedback

MarketBrief is a free monthly eNewsletter from which provides restaurant operators with research-based analysis of key industry developments.

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