

Performance Marketing For Restaurants

An Interview with Mark Metz

10-year Industry Veteran and Founder of the Dining Channel

What is Performance Marketing and Why Would a Restaurant Need It?

Metz: Performance based marketing programs are the wave of the future. In our modern, networked world, no restaurateur should be asked to blindly spend marketing dollars without being able to measure the results. The premise behind performance marketing is simple -- a restaurant should only invest in marketing campaigns that generate a positive return on that investment. A typical restaurant can't remain competitive if it is throwing money away on the wrong marketing programs.

How is Performance Measured?

Metz: Ultimately, we measure performance in the quantity of new and repeat customers, weighed against the cost to acquire them. Unfortunately, too many restaurants are blind to their true customer acquisition cost. A performance based marketing program must make it clear how much it costs to form a relationship with a customer.

The best technique to directly measure the performance of a marketing campaign is to offer an incentive via a specific medium, traditionally as a

coupon in the newspaper, and see how many customers respond. If the program doesn't perform, drop it.

So Incentives Are The Best Way To Drive Customer Traffic?

Metz: Incentives need to be part of a complete marketing mix, one that includes other elements such as branding and public relations. Despite their power in bringing customers to the table, incentives must be done in a way that do not undermine a restaurant's pricing or brand proposition. The key thing about incentives, whether for a price discount or a free meal item, is to use them to tie a specific marketing campaign to a set of actual customers. That's why incentives, such as online coupons and offers, are the cornerstone of the Performance Marketing concept.

How Are The "New" Performance Marketing Vehicles Different From The "Old" Vehicles Like Coupons In The Newspaper?

Metz: Quite simply, computers and the Internet have changed everything. Advertising vehicles like newspaper or radio are priced on frequency and reach, not performance. A non-performing ad can be running right next to a highly performing ad and yet be priced identically. It shouldn't be that way. The

Internet, on the other hand, allows for precise targeting of customers, avoiding wasted impressions and wasted money. Most importantly, if a restaurant delivers an incentive electronically, it becomes possible to calculate the exact performance of each marketing campaign. "Old" media can't match that.

Why Did You Start The Dining Channel?

Metz: The Dining Channel is an exciting new restaurant marketing program designed to be as modern and risk free as anyone could possibly make it. In particular, I have always been disturbed by the idea that newspapers charge for ads when there is no guarantee that the ad delivered a single customer.

We built the Dining Channel service as a response to the kind of advertising where the results can't be measured. We're confident enough in our technology to "put our money where our mouth is" and promote restaurants on a performance basis. We've designed a program that's a "win-win" for the industry.



If you have any questions email us at: sales@diningchannel.com or visit us at www.diningchannel.com