



Marketing Informatics | 5629 Professional Circle | Indianapolis Indiana 46241 | 877-788-4440

HOMEPLACE  
SPM™

DRIVING GUEST TRAFFIC  
FROM HOME

## Restaurant Sustainable Marketing ROI

*...The ROI has averaged 139% across 3 consecutive years.*

---

### Background

Restaurants generally draw guests from two geographical categories – those who LIVE in proximity to their locations and those who WORK in proximity to their locations.

With an ever increasing demand to deliver traffic and sales, restaurant marketers continue to focus on reaching consumers at home as part of their marketing strategy. These prospective guests are valuable, because their commuter patterns take them near restaurants on a regular basis, their social events and activities often include food, and many of their food purchasing decisions are made at home. Marketers that utilize direct marketing to deliver offers to these guests can create a successful program that delivers traffic, sales and loyalty year after year.

Marketing Informatics (Mi) reaches these valuable guests through its Smart Proximity Marketing (SPM)™ program, a local marketing based targeting protocol for new guest acquisition.

### The Opportunity

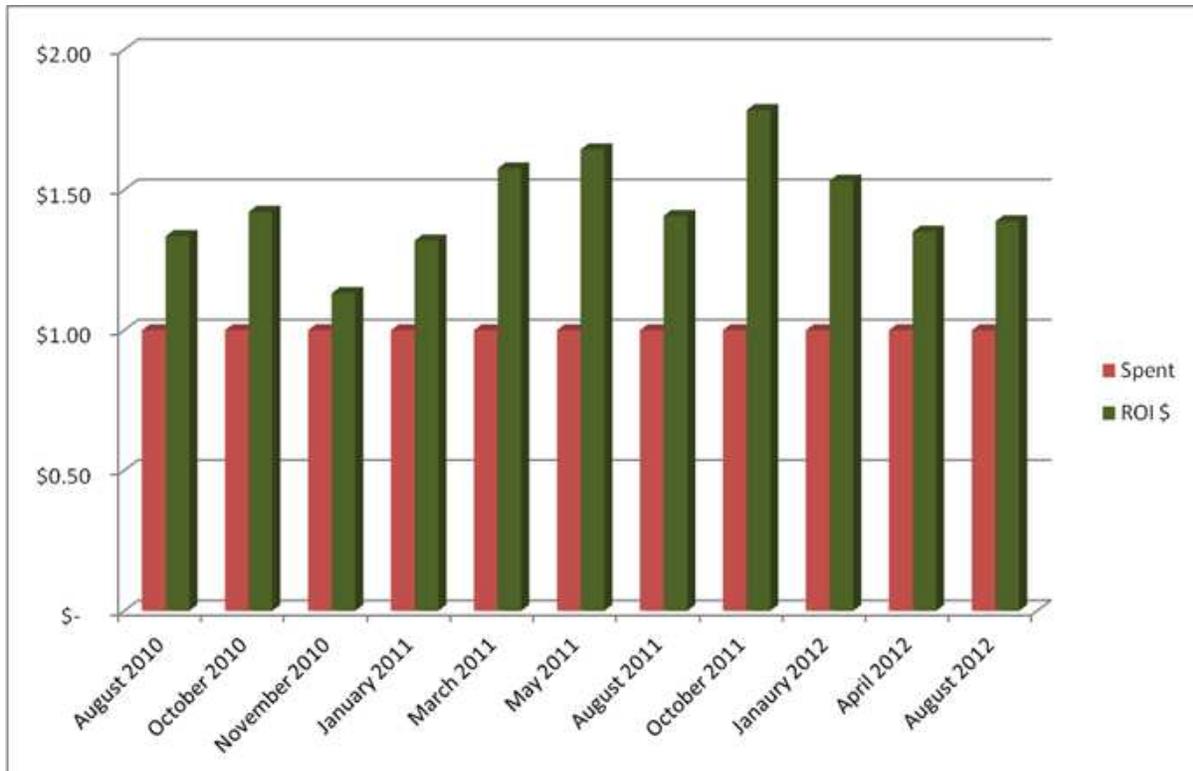
In 2009, Mi began working with a national casual dining restaurant brand to develop a direct marketing platform, individualized per location, with the goal of delivering new guest traffic predictably and sustainability. This brand did not have a sufficient budget to support each market with television advertising, nor did they have experience and success with direct marketing. If Mi was to deliver a consistent and predictable flow of traffic, a successful marketing approach that was financially feasible would need to be developed.

### The Solution

As a first step to developing SPM, Mi appended demographic data to the client's e-club database of guests. From the appended data, Mi performed analysis and demographic profiling, identified the trade area for each location and identified the non e-club guests that were predicted to be the best targets for marketing. The targeting was tested and refined over the first year using actual redemption data. From 2010 to present, the acquisition program has yielded consistent returns through a difficult economic environment and has developed into a marketing staple for the brand. The original goal of developing a program with predictable and sustainable results has been achieved and the program continues to be utilized today.

In the diagram you'll notice the steady performance of the program over time. The ROI has averaged 139%, calculated on sales/marketing spend, across 3 consecutive years. These are incremental sales and do not

include future value of these guests. Analysis shows that 30% of guests return at least one time in the year after the first redemption.



### The Lessons

1. SPM is a potential foundational program for marketing as demonstrated by performance over time
2. This program is well suited for ongoing marketing efforts or triggered marketing such as restaurant reimage, grand opening or other events
3. New guest acquisition in a residential setting can be profitable and sustainable

### About Marketing Informatics

Since 1987, Marketing Informatics has specialized in using local market intelligence and practical programs to drive traffic for clients. Mi has been recognized with awards from the Indiana University Kelly School of Business; Johnson Center for Entrepreneurship; Experian Marketing Services; Inc. Magazine's "Inc. 500 Fastest Growing Private Companies in America," and other industry recognition.

For details on HomePlace SPM™ or to request specific counts for your locations, please call Marc Becher at 877-788-4440.