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Ed's Easy Diner

# A social strategy to drive targeted offers and increase sales

Agency: JWT Now

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## Market context

In the restaurant industry, January is always a poorly performing month, especially mid-week, with people trying to cut back on both spending and calories after the overindulgence of Christmas.

Ed's Easy Diner, a UK chain of retro-style American diners, is no exception. In a highly competitive restaurant market with endless promotions, it's difficult to increase profits by delivering attractive offers without devaluing the brand.

In order to avoid this, Ed's needed to be able to target specific promotions to a select group, to stop the offer 'going viral' and ending up on voucher sites with a mindset of 'If I don't have a voucher, I won't eat there'.

## Business/marketing objectives

The brand's primary objective was to increase sales in Ed's Easy Diner during the offer period in January. A secondary goal was to acquire new customers profitably.

Through the Ed's Easy Diner email database we had the opportunity to communicate and target offers to 250,000 Ed's Club customers by email.

However, we knew that, as a rule, a 1% increase in reach would drive higher revenue than a 1% increase in frequency of purchase. Consequently, we needed to target a wider audience of potential customers of those who had not yet signed up to the club.

## Channel choice

Channel choice was driven by a number of factors, including:

- Budget considerations (we needed to test whether this activity would be successful with a low media spend of £250)
- Speed/agility in response (customers needed to be able to respond quickly and easily during the short offer period).
- The possibility for sharing so that the activity could benefit from viral reach.

As a channel, Facebook met all three criteria.

See: <https://www.facebook.com/pages/Eds-Easy-Diner/117241011657721?ref=ts&fref=ts>.

The website, <http://www.edseasydiner.com/>, and emails to Ed's Club members had calls to action to the Facebook page.

# Creative/media strategy

Our solution was to create a three day piece of activity running from Monday 13th to Wednesday 15th January, targeting existing Ed's fans on Facebook with a 50% off offer on food in Ed's over those days only. The budget for the promotion was £250.

The creative used a photograph of the Diner with a description of the offer. For the photography, we chose to use a shot of a person looking as though they were really enjoying their food at Ed's to maximize the appeal of the offer and encourage people to go in and eat. The copy was brief and to the point (see below).

The promotion offered 50% off food at the diner during this time. Communications focused on fans, anticipating that they would share this offer.



Fig 1: Facebook creative for Ed's Easy Diner

Viral offers are incredibly powerful, because people are choosing to pull them rather than having them pushed at them, meaning that redemption is far more likely, increasing the return on investment.

By ensuring that all non-fans receiving the offer were doing so through the recommendation of a friend, communications would greatly benefit from the value of the endorsement, thereby controlling the possibly damaging effects of large discounts, whilst increasing the return from targeted messaging.

We were able to make the strong pull of a 50% off promotion because the client's costs only account for 20% of the full price of diner food. So even when a sale was discounted by 50%, the client would still bank as gross profit 60% of what the diner paid for the food.

In addition, promotions only happen at Ed's three times a year during particularly quiet periods, so there was no danger that customers would only visit the restaurant when food was discounted.

It was important that the campaign provided a rich experience for consumers who were not yet strong fans of the brand, and in order to achieve this, we needed to ensure that the Facebook page offered appealing content that showed the dining experience in the best possible light.

Having taken over the management of the Ed's Easy Diner Facebook page in December, the team adopted a content strategy that revolved around posting fan, product and 1950s content, and encouraged new visitors to the page to 'like' us and continue engaging with our content and our brand.

## Measurement

We measured campaign effectiveness in several ways. To measure our primary objective of increased sales during January:

- We tracked the number of offer redemptions via the Facebook mechanic.
- We tracked the actual number of in-store redemptions of this offer via specific Facebook offer barcodes scanned.
- Using our EPOS till system, we could measure the exact spend in store of each purchase made using the Facebook offer.

In line with our secondary objective, we also reviewed the number of offer shares and likes, the number of Facebook fans and the number of visits to the website.

We then tracked the halo affect of the Facebook offer. We have previously run test activity with similar offers targeting particular stores. In doing so, we were able to isolate the effect of the activity.

We found that there was a positive halo effect in the weeks following the live promotion (see Fig 2) which suggests that the offer continued to raise sales after it expired. This is presumably due to top-of-mind awareness from receiving the marketing message.

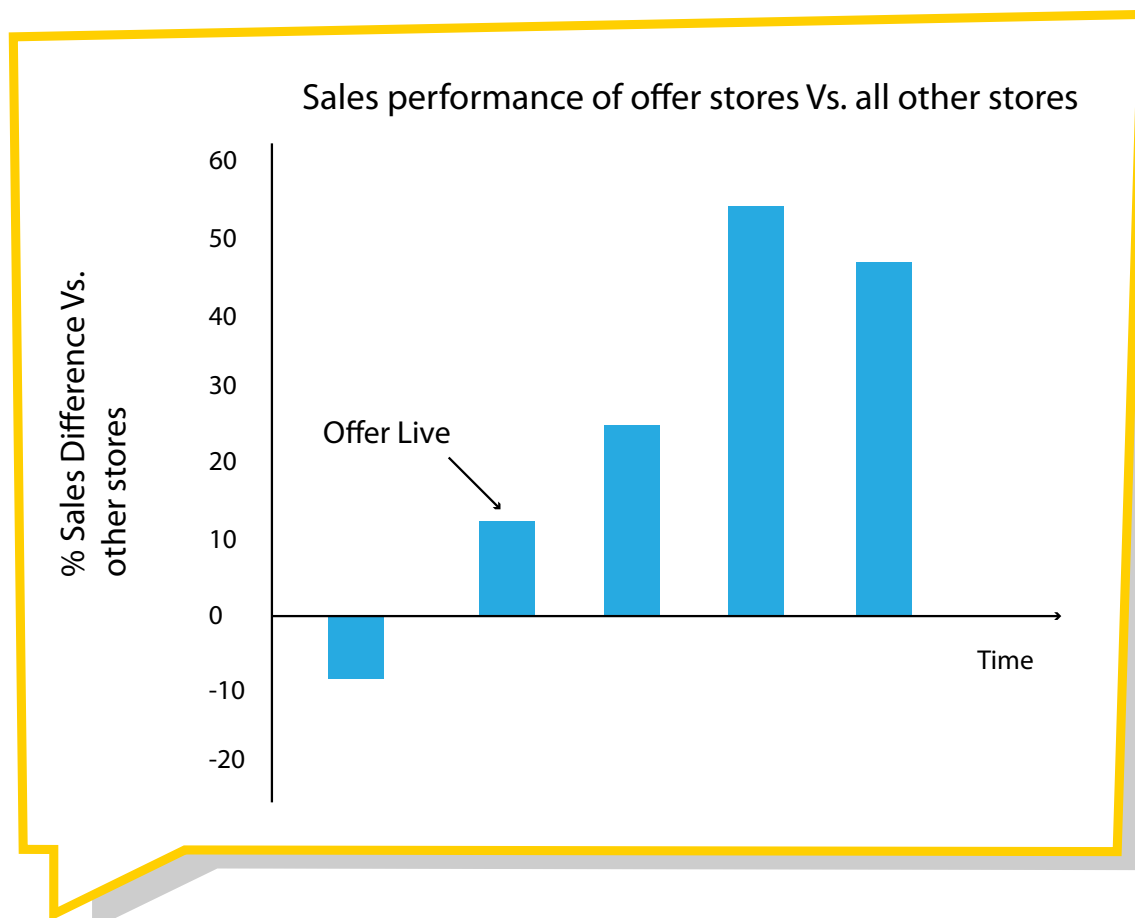


Fig 2: Evidence of a sales halo effect after the offer period.

## Results/business benefits

By tracking the overall spend of those who redeemed the offer, we discovered the increase in incremental sales was £2,993.75. We were then able to calculate the incremental net profit and ROMI (return on marketing investment) as a result of the offer, with outstanding results:

After deducting Ed's Easy Dinner overheads, including the £250 campaign cost, the net profit was £1905.05. The campaign ROMI was therefore  $\frac{£1905.05}{£250} \times 100 = 762\%$

Behavioural results included:

There were 880 likes/comments/shares (incl. 225 shares).

167 offers were claimed from paid activity.

1,466 offers were claimed organically.

98 redemptions.

Fan numbers increased at a rate 100% higher than any other period.

## Key learnings

This activity has highlighted the short-term commercial value of our Facebook fans, giving us the foothold to continue optimising promotions on the platform and maximise profits from our activities.

We will also invest in motivating customers whilst they are in the diner to 'like' us on Facebook in order to give us a greater audience of fans to target on the platform in future, increasing the potential viral effect of communications.

We also plan to run this promotion again at a time when no other offers are taking place so that we can isolate the business impact of the activity (without the use of expensive and time-consuming econometrics.)

## Agency details:

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