

Online restaurant promotions

[Business](#), [Marketing](#)



Online Restaurant Promotions Q) Why are restaurants amenable to price discounting? Restaurants have high fixed costs. These fixed costs like rent and wages of staff have to be paid under all circumstances; even if no customers visit the restaurant. On the other hand, the marginal costs (cost of ingredients) for the restaurants are pretty low. The restaurants therefore have to spend little to service any additional customer. The restaurants offer discounts to attract more customers. Payments received from these customers cover the entire marginal cost and some portion of the fixed costs. Thus, in the ultimate analysis, offering discounts and thereby filling empty tables reduces the losses of the restaurants.

Q) What is the key value-add associated with:

Entertainment Book

Entertainment Book offered a complementary membership card and enabled consumers to save up to 50 percent. Entertainment Book consumers could avail of 2-for-1 deals at participating businesses.

Restaurant.com

Restaurant.com offered discounts on gift certificates. Consumers could use these gift certificates at more than 9,500 participating restaurants. These certificates were available in variety of denominations and were distributed individually. Restaurant.com had a simple, fast and free sign-up program for restaurants willing to participate in the system.

Rewards Network

Rewards Network offered incentives to customers if they dined at any of the company's 9,542 affiliated restaurants. These incentives were given by way of reward points which were credited to customer's credit cards. Rewards

Network also allowed cash refunds and offered bonuses on the first dine.

Regular users got VIP bonuses from the company.

Open Table

Open table offered round-the-clock reservation services for participating restaurants. The service was thus a substitute for telephonic reservations made by the consumers. Open Table created a database of the consumers which could be effectively used by the restaurants in their advertising campaigns.

Q) What opportunities does the internet provide with respect to restaurant promotions?

The internet provides numerous opportunities with respect to restaurant promotions. The restaurants can have their own websites as well as place their advertisements on other websites. The restaurants can have their own page that details the location, menu and reviews of customers on websites like CitySearch. The internet can be used to send e-mails to current and prospective customers. Restaurants can also attract more customers with the help of online affiliate programs.