Restaurant Chain Expands Customer Base with Food Giveaway

THE CHALLENGE

A regional fast casual restaurant chain with 20 locations wanted to broaden its customer base by improving brand recognition. The restaurant planned a free food giveaway campaign, hoping to attract new customers and retain them in the following months.

THE SOLUTION

The restaurant used Euclid to measure new and repeat customers during the three week event. Euclid then focused on customers who attended the giveaway event to observe when they returned to the restaurant.

KEY FINDINGS

Giving away free food was an effective way to expand the customer base.

- Giveaway campaign attracted a large influx of new customers
- New customers drawn by the free food returned to the restaurant at the same rate as previous customers
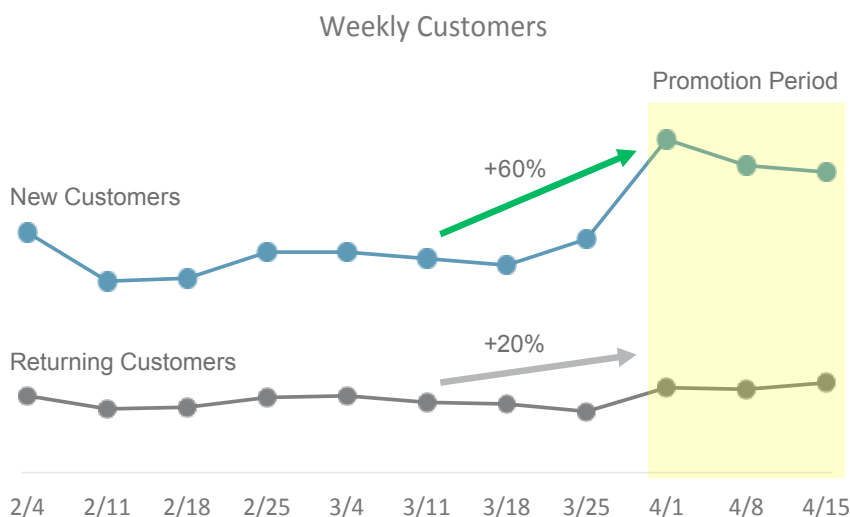- No negative impact on existing customers

360° ROI

OUTCOMES

During the free food giveaway, new customers increased by 60%, driving an overall 48% increase in customers month-over-month. Over the course of the next 90 days, the restaurant found that these new customers returned for a meal as frequently as their existing customers. The data helped to dispel management's concerns that giveaway events do not drive long-term customer growth.

The restaurant plans to run the giveaway every year and when opening new locations. They view the promotion as a way to generate buzz for their brand and accelerate sales growth with modest customer acquisition cost.

> *Data from Euclid showed us that food giveaway promotions can attract valuable customers. We now have confidence that these promotions are an effective tool in our marketing arsenal.*

Weekly Customers

Promotion Period

New Customers   +60%

Returning Customers   +20%

2/4   2/11   2/18   2/25   3/4   3/11   3/18   3/25   4/1   4/8   4/15

Exhibit 1: Summary of the giveaway's impact on customer acquisition