FAQ's from Restaurant Operators

01.24.13

4 Step Process:

- Dig Deeper. Get to the <u>root</u> of their concern or question by asking open ended questions.
 Open ended questions begin with:: Who, Where, Why, What, How, How come, and Tell me about...
- 2. **Empathize with them.** "I can understand how you feel." or "I can appreciate how you would feel that way..."
- 3. **Offer another perspective.** Offer a consumer's perspective or another way of looking at the situation they describe. *"However, think of it this way..."*. Use Comparison Sheet or Support page to help them visualize your perspective.
- 4. **Offer your suggestion**. "Based on what you shared with me, I would suggest..." or "My suggestion would be..."

"Can I limit the amount of certificates?"

Important: The most common reason for getting this objection is that they view the certificate as a COST and not generating revenue/profit. This statement usually has them doing the math of how much 30 tables X \$10/\$15/\$25 equals. Explain that our most successful operators want as many tables filled as possible. The \$15/\$22.50/\$37.50 required spend is in place to cover their food cost, so that they are NEVER losing money. Focus on the average spend as that is what the majority of people will spend in their restaurant.

Step 1: "What would be the reason why you would want to limit the amount of certificates?" **Operator:** "I just don't want to be giving away \$10/\$15/\$25 to every customer. I will lose too much money."

Step 2: "Oh.",

Step 3: "I mentioned to you before that we have a \$15/\$22.50/\$37.50 required spend in place so that cover your food cost and make you money on every table. We know full well that on average people will spend "32" (refer to their average spend) in your restaurant. We also provide you with the tools to be able to get customers back into your door with the email address of every customer we send you."

Step 4: "My recommendation would be that you allow us to try and fill as many tables as possible. We can always make adjustments as we go. It is very important that you validate all the certificates, so we can get a clear picture of the program results."

"I have used (fill in Daily Deal sites) Groupon, Living Social, etc.... How are you different?"

Important: Never bash the competition, simply show the operator how we are different. Groupon/Living Social can be good for some types of businesses that can handle an inordinate amount of customers, just not many restaurants.

Ask probing questions to find out how they viewed the experience with the Daily Deal site.

Step 1: "What was your experience like with using these sites?"

Operator: "Well, we got flooded with these coupons and they were all cheap and didn't tip the waiter."

Step 2: "Well, that is unfortunate."

Step 3: "There are some <u>major</u> differences between what they do and Restaurant.com. Unlike Groupon where they feature your restaurant one day and then a salon the next, Restaurant.com is solely dedicated to restaurants and offers <u>continuous</u> marketing for our partners. Groupon has a tendency to flood the restaurants with coupons, where Restaurant.com sends in customers on more of a steady continuous basis and allows you to get back in touch with those customers to invite them in for your special events. Restaurant.com has a required spend to ensure that we are always covering your food and drink cost and making you money. We provide you with all of the marketing tools to track our program as well as give you the email addresses of every customer to invite them back. Bottom line, Groupon encourages people who are looking for a deal and Restaurant.com encourages people who are looking for a great place to dine and spend their money."

Operator: "Yes, but Groupon gives me \$10 for each Groupon sold, how much do I get from you?"

Step 3: "On average you will get "\$41" (Avg. spend \$66 on a \$25 core minus \$25) from us from every table that comes into your restaurant. We place a \$37.50 (refer to the required spend) required spend as a courtesy to ensure that your food cost is covered and you are making money. Even if they spend right at \$37.50 you will make \$12.50 per table."

Step 4: "I would suggest that you give us the opportunity to show you how we will provide you with continuous marketing with the website and all of the exposure that we provide you with, while providing you the ability to track the profitable tables we send you."

"I have used (fill in daily deal sites) Groupon, Living Social, etc.... How are you different?"

Important: Never bash the competition, simply show the operator how we are different. Groupon/Living Social can be good for some types of businesses that can handle an inordinate amount of customers, just not many restaurants.

Ask probing questions to find out how they viewed the experience with the daily deal site.

Operator: "I really liked working with Groupon/Living Social."

Step 1: "What was it about that program that you liked so much?"

Operator: "I liked how much traffic we saw in just a short amount of time and I liked how we got paid off of every Groupon sold."

Step 2: "Ok...."

Step 3: "There are some <u>major</u> differences between what they do and Restaurant.com. Unlike Groupon where they feature a restaurant one day and then a salon the next, Restaurant.com is solely dedicated to restaurants and offers continuous marketing for our partners. Groupon has a tendency to flood the restaurants with coupons, where Restaurant.com sends in customers on more of a steady continuous basis and allows you to get back in touch with those customers to invite them in for your special events. Restaurant.com has a required spend to ensure that we are always covering your food and drink cost and making you money. We provide you with all of the marketing tools to track our program as well as give you the email addresses of every customer to invite them back. Bottom line, Groupon encourages people who are looking for a deal and Restaurant.com encourages people who are looking for a great place to dine and spend their money."

Step 4: "I would suggest that you give us the opportunity to show you how we will provide you with continuous marketing with the website and all of the exposure that we provide you with, while providing you the ability to track the profitable tables we send you."

"I have used you in the past and had a bad experience and I won't use you again."

Important: You may get this objection if the operator was on our program in the past. Be familiar with the history of all restaurants in your territory that have been on our program in the past. Explain that we have made many improvements over the years which has now allowed us to partner with over 18,000 restaurants.

Step 1: "How long ago were you on the program with us? (Listen for answer) "What was it, about the experience, which made you unhappy?" (Listen for answer) "Were you logging into your backend reports?"

Step 2: (with sincerity) "I am so sorry to hear that."

Step 3: "I appreciate your honesty and understand. I apologize that you had a bad experience with us in the past. We have grown rapidly since you were on our program. We now have over 18,000 restaurants nationwide. We have become the nation's largest search engines for restaurants. We have completely redesigned our website which now provides access to social media like Facebook and Twitter. We have a mobile app. now which allows us to drive in even more customers into our restaurants. We also provide the restaurants with more data to be able to track the success of our program."

Step 4: "I just need about 5 minutes so that I can explain to you the new things we are doing now. I believe you will see just how much we have improved our program."

(Go to the Pitch)

"I've seen other restaurants on your site that have a \$20/\$50 minimum and I want that too"

"I understand your concern. In the past we had Restaurants set up on a \$50 required for a \$25 certificate, but what we found was that the amount of traffic we were driving to these restaurants was significantly less than the traffic we set to restaurants with a \$37.50 required spend. The consumer votes with their wallet, so we made a business decision to go with a standard 1 and a half times the face value required spend to help restaurants drive more traffic and make more incremental revenue. We still have some restaurants that are grandfathered in and we are working towards shifting to a \$37.50 required spend. On average customers will spend "\$66" in your restaurant, so we want the required spend on every certificate as a safety net not a "goal".

"I have to think about it."

Important: You may get this objection if you did not build trust with the operator, or you go to fast through the presentation without asking questions throughout. The operator could just simply have to think about it or they are just not interested but don't have the courage to tell you that.

Step 1: "What are your concerns?" (Ask probing questions to get the root of what they have to think about.)

"How do you feel about the program?"

"What do you like best about the program?"

"Do you understand how the certificate is making you money? Do you understand that the average spend is (\$66) (refer to the average spend), but we add a \$15/\$22.50/\$37.50 required spend to ensure that you are always making money?"

Step 2: "I can appreciate that."

Step 4: "Ok, well it sounds like you like the program, it just takes me 90 seconds to walk through a few questions and I we will have your site up and running within 3 business days or less." **OR** "Ok, Well it sounds like you like the program, but just need to think it over. I will call you back tomorrow to follow-up. Is tomorrow morning or afternoon better for you?"

Set date and time for EVERY follow-up, then be sure to be punctual. Some operators use this method to determine if someone is serious about helping them grow.

"I have to discuss this with my partner."

Important: It is best to find out upfront if there are partners involved and how the decision making process is conducted. If you know they cannot sign up on the spot, explain that your goal is to share the program with them and secure about 5 minutes to do the same for their partner. YOU want to be the one to share with the partner to insure the integrity of the message. Keep in mind that some operators will state they "have a partner" so if they are not interested, they can stonewall you by stating the partner said "no". In some cases, they do not have a partner and a great presentation will get them to pull the trigger on the spot or at the very least be anxious to have their partner see the program.

Step 1: Ask THEM probing questions to ensure they have "bought into our value proposition".

- "How do you feel about the program?" "What do you like best about the program?"
- "Do you understand how the certificate is making you money? Do you understand that the average spend is (\$37.50) (refer to the average spend), but we add a \$15/\$22.50/\$37.50 required spend to ensure that you are always making money?"
- "Is your partner coming in later today, so that I can call back and explain the program to them?"
- "When is your partner available so that I can explain to them what we do, and answer any questions they may have?" (Set a specific date and time to call them back)
- "Can I call your partner right now and speak to him/her?"

Operator: "I have a good understanding of the program and my partner is hard to reach, so I will just pass it on to them."

Step 3:" I will send you a sheet now that will help you walk your partner through the program. I will follow up with you tomorrow so that we can get you started. What is your email address or fax number?"

"Restaurant.com will bring us 'cheap' customers." (Minimum Spenders)

Important: Find out from operator what their **perception** is of a **cheap** customer. This will guide your response.

Step 1: "What would you consider to be a cheap customer?"

Operator: "Well, we will get those customers that spend just \$15 and not spend more."

Step 2: "I can understand how you might feel that way."

Step 3: "However, think of it this way, filling that table or receiving an extra order from a potential new customer and offering great food and service that they talk about to their friends can make that \$15/\$22.50/\$37.50 table worth more than a table spending \$80 that tells no one about their good experience. The word-of-mouth advertising from a happy table spending \$15/\$22.50/\$37.50 can grow into \$100's of dollars or even more. Customers can "like" your restaurant on the website we build for you and it would instantly tell all of their hundreds of friends on Facebook that they like your restaurant. It is instant word of mouth. The \$15/\$22.50/\$37.50 required spend is in place cover your food and drink cost to ensure that you are always making money. Our most successful partners tell us that if we can get them in once, THEY will get them back!"

(Analogy: Apple Seed. Plant it, watch it grow into bushels of apples)

Step 4: "My suggestion would be that you allow us the opportunity to show you how well our program can help your restaurant make money, while driving in a diversified customer base."

<insert an assumptive or summary close>

"Restaurant.com will bring us 'cheap' customers." (Coupon clippers)

Step 1: "What would you consider to be a cheap customer?"

Operator: "Well, we will get those coupon clippers."

Step 2: "I can understand how you might feel that way."

Step 3: "However, think of it this way, unlike a coupon where customers get something for nothing, we have a gift certificate program where consumers are **purchasing** the gift certificates with their **credit card** for themselves or giving as a gift to a friend or family member to come in and spend their money with you. Customers are making an investment into your restaurant before they ever walk into your door. It may sound silly, but could you imagine giving a coupon in a card to someone as a gift?"

Step 4: "My suggestion would be that you allow us the opportunity to show you how well our program can help your restaurant make money, while driving in a diversified customer base."

<insert an assumptive or summary close>

"I don't do coupons."

(Cheapen my image)

Operator: "Coupons will cheapen my image."

Step 1: "How do you feel that our gift certificates will cheapen your image?"

Operator: "It will just send in those people looking for a deal and we don't want those types of people in

here."

Step 2: "I can understand how you might feel that way."

Step 3: "However, think of it this way, a full dining room and/or more orders will attract more customers to your restaurant. We send all kinds of people into your restaurant. Consumers can either purchase a gift certificate from the site or receive it from one of our corporate partners, regardless, people need to make an investment to be able to come into your restaurant. These are potentially new customers and allows you the opportunity to impress them with your great food and great service which helps to spread the positive word-of-mouth for your restaurant. Other diners in the restaurant do not know a table is using a Restaurant.com gift certificate, only the customer and the server. Should the table remain empty, EVERYONE knows about it. In general Restaurant.com customer base has an average household income of \$75,000+. This marketing approach holds true for even 5 star hotels that get help filling their rooms through travel websites, like Hotels.com, Priceline and Travelocity. Do you see how filling more tables through the incentive of gift certificates can actually help improve your image and lead to a better customer experience from a fuller restaurant?"

Step 4: "My suggestion would be that you allow us to help you create a more positive image for your restaurant, while helping you fill more profitable tables."

<insert an assumptive or summary close>

"I don't want my regulars using these certificates."

Step 1: "What would you consider to be a regular?" "Someone that comes in every day, every month, etc...?"

Operator: "People that come in once a week or more."

Step 2: "Ok..."

Step 3: "Think of it this way, if one of your "regular" customers happens to come in with a gift certificate once, they are not just going to stop dining at your restaurant after they use the gift certificate. This could be a nice way of saying thank you for your patronage. We also have a way of tracking how often people dine at your restaurant as part of the survey. We have found that on average 83% of the customers that we send into our restaurants are infrequent diners, meaning visiting 3 times or less per year. Our certificate program allows you to get new people in while giving you the tools to be able to make these new customers your regular customers."

Step 4: "I would suggest that you allow us to show you how many new customers we can bring you as well as the people that have not been in for a while."

"I don't do coupons."

(Deal seekers that do not return.)

Important: Find out why the operator is stating that they don't use coupons. This will guide your response.

Step 1: "What has been your experience with using coupons?"

Operator: "Well, we would get those cheap people who are only looking for a deal and we would never see them again."

Step 2: "I can understand how you might feel that way."

Step 3: "However, think of it this way, a coupon is something that a person would clip out of a newspaper or receive in a mailer for free. They are getting something for nothing. We have a gift certificate program where consumers choose your restaurant and then purchase gift certificates with their credit card as an incentive to spend their money in your restaurant. When a consumer purchases a certificate from us they have already made an investment before they even walk through your door. We also provide you with the tools to be able to communicate with those customers to invite them back in again. Also, many of our customers will purchase a certificate for your restaurant and give it as a gift to a friend or family member to try out your restaurant. We reach a diversified customer base through our corporate partners, such as United Airlines, MasterCard, Destination Maternity, Ace Hardware, Vonage and many others. They use our certificates as incentives for their employees and customers. The certificates provide a "value" which they could not get from a "coupon". It may sound silly, but could you imagine giving a coupon in a card to someone as a gift? Can you see how they are different?" (Gain agreement) Support Pages:

Step 4: "My suggestion would be that you give us the opportunity to show you how we are different." <insert an assumptive or summary close>

"I want to exclude Friday and Saturday."

Important: It is best to find out WHY they are asking to exclude those days. This will guide your ability to address appropriately. Explain to the operator that we cannot take off the weekends, and share with them why we don't do it.

Step 1: "Why would you want to exclude Friday and Saturday night?"

Operator: "Those are my busiest nights. We get most of our orders then and I don't want to have to discount \$10 when I can get the customers to pay full price."

Step 2: "I can understand why you would feel that way."

Step 3: "First, we are not able to restrict any days off of the certificates.

Operator: I saw other restaurants that have the weekends off, why can't I have that?

"We don't restrict any days anymore because we were finding that it was directly hurting the restaurants business and the consumers experience. Think of it this way, when do people typically want to try a **new** restaurant? On the weekends. People tend to go to a familiar restaurant for a quick bite during the weekdays. This would be your opportunity to drive in more potentially new customers AND get more orders. You impress them with your great food and service and they tell their friends about you. When people are looking for "Italian" (enter cuisine type) they come to our site and find <u>you</u> are opposed to going to one of your competitors."

Optional response if you feel appropriate:

"When consumers are going to dine out on the weekend and search our site for a restaurant, they will not see your restaurant and select one of your competitors. In effect, leaving off the weekends is indirectly driving your potential customers to your competition."

Step 4: "I would suggest that we leave on the weekends so that we can increase your revenue while helping you attract potentially new customers at the same time."

<insert an assumptive or summary close>

"Is there a contract?"

Important: The operator may simply want to know what the terms are of the contract.

"We have an open-ended agreement. We are very confident in what we do, however if you ever have any questions or concerns all that we ask is that you bring it to our attention and we will make you happy. If we cannot work together to resolve your concern, you can terminate the agreement with a <u>30 day notice</u>

"I already have a website."

"Great! Many of our current partners have websites. Most people will only learn about your website through your marketing efforts. We provide you with a link to assist in driving traffic to your website. A local website is like having a billboard in the middle of a field. With Restaurant.com, we can help move your billboard to the edge of the internet superhighway. We do an incredible amount of marketing to drive people to our website, which in turn drives them to your website."

"I am on another program just like yours."

"I wasn't aware of another program that does exactly what we do. Tell me what they do?" (Explain how we are different)

Use probing questions like...

"Do you have a few minutes that I can show you how we are different? Do they offer customer surveys that provide your restaurant with specific results? Do they offer a customer comments page that allows you to have direct contact with your customers, at the same time giving you specific feedback that is privacy protected? Do they provide you with specific customer information that will tell you when the customer came in, their name, where they are coming from and providing you with their email address?" (Compare the difference between what they are using and what we are offering) (Use other examples as needed)

"This is my busy season, come back after the holidays."

Step 1: N/A

Step 2: "I can certainly appreciate how busy you are during this time of year."

Step 3: "However, our program can help drive in customers during your slower months, like January and February. We have a gift center where people are now purchasing gifts for friends and family all across the country and these people will more than likely redeem them in January and February which will help you sustain your profitability. On a normal month we drive about 4.5 million unique visitors to our site, but during the holidays we drive close to 10 million. This means a lot more exposure for your restaurant. Also, we have higher certificates that can help to drive in potential holiday parties and bigger groups. People still have the money to spend, but in this economy they are more choosey where they spend it." **Step 4:** "I would suggest that you allow us the opportunity to drive in profitable tables for you now, while helping to sustain the traffic flow during your slower months."

"I am currently doing too many other discounting programs; come back in 3 months."

"Many of our restaurant partners are using multiple discounting programs to gain as much foot traffic through their door as possible. I encourage all of my restaurant partners to do as much marketing as possible to help fill their additional tables. The discounting programs that you are doing are targeting a very specific area where as with Restaurant.com, we give you not only local, but nationwide exposure so that you can bring in customers from all over. Our gift certificates are not valid with any other promotions. Restaurant.com will complement the other programs you are using and begin building you a website, nationwide exposure, a customer database and valuable surveys and comments."