

# Fresh Restaurant Marketing

## Interview Corner

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*(Making Your Restaurant Profits an Automatic Breeze)*



**Ross Murphy - Founder  
Fresh Restaurant Marketing**

**I**n our new marketing series, we're going to be speaking with Raja Hireker – a direct response marketing consultant & copywriter who helps business grow by careful strategic thinking and by creating and installing written marketing assets - from new customer acquisition programmes, past customer reactivation campaigns, and everything in between. I'm also glad to say that Raja is helping us with various aspects of Fresh Restaurant Marketing. Please set aside some time to carefully read through the transcript (*yellow highlighter in hand!*) of this interview because whatever the size of your restaurant or business, you'll find a veritable treasure trove of

nuggets, insights, strategies and ideas that can have a dramatic and immeasurable effect on the profitability of your venture.

**FRESH:** *Raja, thanks for joining us today. Tell us all, in your opinion, what's the biggest marketing error or mistake you see being made time and time again in most Restaurants and service businesses?*

**RH:** Hello Ross - thanks for inviting me. Well, there are a number of glaring errors and mistakes being made on a regular basis, however, the biggest, most overlooked, most underutilised marketing that's not being done, is in *not* communicating to past, inactive and current customers and clients.

**FRESH:** *So let me stop you there and ask you why that's the case; why is it that there's this big communication gap?*

**RH:** Well, it could be for a number of reasons. Firstly, there's no real understanding of the life time customer of a client. If there was, there would be a dedicated and systematised plan *created* and then implemented to ensure that a customer is never left out of the communication loop.

**FRESH:** *Just for clarification Raja, what is the life time value of a customer and how can a Restaurant or Service based business owner work out the lifetime value of their own clients and customers?*

**RH:** Let me help answer those questions by asking you something in return Ross; how much would you say you're worth in yearly monetary terms, to your local restaurant or to your mobile telephone provider?

**FRESH:** *Well, I'd say possibly £500 to £750, possibly a £1000 or so as a maximum amount.*

**RH:** And, if they did their job well, how long would you say you would be a paying customer to, as in this example, the phone company and the restaurant?

**FRESH:** *Well, looking back on it, I'd say for the restaurant, well, we're easily looking at a handful of decades. For the phone company, maybe in the region of 3-4 years. Possibly more.*

**RH:** Okay, that's some amount of time there. And look, if you were happy and thrilled with those services, would you possibly tell a few others about the mobile phone company, or that local restaurant that loaded you up with eye popping portions and served you like royalty... would you tell others or would you hide the fact?

**FRESH:** *Oh, believe me; I'd tell the whole world because it's really rare to receive on-going excellent service from any kind of vendor or business so yes, I would definitely let others know, and frankly, I have!*

**RH:** *Exactly!* And why wouldn't you do it? It's a normal consequence of being treated well and enjoying a really good service. So not only are you worth a certain amount in profits to those vendors on an on-going yearly basis, you're also their silent salesperson, promoting their products and services to your friends and family members, so adding an additional residual amount to the vendor's cash tills. And if these companies and business are smart (namely the persons responsible for profits) they'll do



Raja Hireker is a Direct Marketing Consultant & Copywriter and has modelled & perfected his strategic thinking, copywriting style and marketing techniques on the great Adman, David Ogilvy. David Ogilvy said of modern day great, **Drayton Bird - Author Common-sense Direct Marketing & Sales letters That Sell and is Former International VP & Creative Director Ogilvy & Mather Direct** - the following: "*Drayton Bird knows more about direct marketing than anyone in the world*". And Drayton Bird says of Raja Hireker – "*Raja knows more about the techniques of persuasion than nine out of ten copywriters. He has a winning style, great determination, huge enthusiasm and unusual ingenuity*"

all they can to ensure that you are treated well and that you're never left in the dark about anything. I mean, why wouldn't they – look how much cumulative profit you've racked up for them – you're a priceless gem for them!

So in simple terms, the *lifetime value* is the amount of profit a customer is worth over their lifetime of doing business with that restaurant, business or company. And all a business owner has to do (*and this includes all the readers of this interview*) to work out their own life time value of a customer, is to work out how many months or years a client stays with them, on average, and how much client is worth in profit terms, and then, multiply one figure by the other. (And Ross, if you do this for the mobile phone company and for the restaurant, you will see exactly how much you're worth to each business or company. The cumulative amount will literally stagger you!)

When you know what a client is worth to you in profit terms in your business over a 6-month period, a 1 year period, even a 5 year period, you'll now realise that even bringing in a new client even at less than break-even will be more than worth it because of the accumulated life time profit that the client will bring down the road in each subsequent month. So can you see how daft, as well as it being a money losing proposition it is, in *not* focussing on the stored and cumulative value of every single prospect and customer! I mean, the amount of wasted profits that are thrown away is unbelievable. And that's in each and every business. And what generally happens in most businesses where there's anguish and frustration going on is that the *marketing* gets blamed for everything when in reality; it's the pure neglect of *not* focussing on each customer as a potential long term goldmine. That's where the blame is.

**FRESH:** Wow. Great.

**RH:** Another reason why there's no specific focus on communicating and selling past and current clients is because of the impetus and drive to secure a *new*, first time client. There seems to be an insatiable hunger to chase after the new prospect, and no deep interest or drive in monetising the existing customer.

**FRESH:** *Why really should restaurants and businesses concentrate on communicating to their customer database than on acquiring the new fresh client? I mean, isn't that the lifeblood of a business, in the new customer?*

**RH:** I don't think one should be at the expense of the other. But when you think that it costs much less to contact and communicate an existing customer than it does to acquire a new customer - and in fact, in most businesses, that's where all the wealth lies... in the stored value of existing and past satisfied customers – then more attention should obviously be directed to building the asset worthiness and value of existing and current customers. However, most business don't have a customer retention plan as they do a customer acquisition plan. It doesn't even occur to them.

**FRESH:** *So let's stay with those customers on a database; how could a business mine all the value and wealth from that database, how exactly would they do it?*

**RH:** Well, the big mistake here is treating all customers on a customer database, the same as all the others on the database. And so because of that kind of thinking, there's this strange insistency in sending a similar type mailing or communication piece to everyone on the list.

The real gold here is in segmenting the database into various groupings, and then, creating separate tailor made communication pieces to each segment on the database. That's how to create exceptional results when communicating to past and current clients.

**FRESH:** *So let me see if I understand things here: you're saying that no matter what the size of the customer list or database, if the database is broken down into various segments or what I've heard you say before – sub-lists – then there's more likelihood of there being greater receptivity and response from a mailing that's sent just for them and it excludes others on the database?*

**RH:** That's exactly right Ross. So let me give you a real live example of what we're discussing here so it can take shape in the reader's mind. I've a client who sells business resources to solo entrepreneurs – websites, marketing, audio and video technologies, etc. So his database is made up of some customers who have paid him 2, 5, 10, 15k and above for various services, and there are others who have bought a £37 physical product, maybe a DVD. He also has around 600 people paying him a regular monthly amount for a business resource membership type product. Now in that membership product, there are people staying, leaving, dropping out and then coming back – a mixed bag. However, we've set up various communication sequences that go out to each kind of 'person' on his membership product. If there's a cancelation of membership, they'll automatically get over a period of time, a 7 step email sequence, with a direct mail letter in between that endeavours to bring them back into the

membership. There's a separate communication sequence that goes out to new members, confirming and affirming their wise decision to enrol in the membership, with other various communication pieces sent to get them familiar with their membership. Of the other customers on his database, there are small a handful who'll receive any communication to do with special, high priced, intimate mastermind groups and it will not be sent to all on the customer database. *And why not?* Because those who have already shown their high purchase intent are more likely to invest in something similarly priced than someone who has only invested in a £37 product.

Each and every restaurant owner, service based business or in fact, any business, has the opportunity to create similar kinds of communications to what are essentially, small business & customer groupings within their overall customer database umbrella.

**FRESH:** *So going back to the life time value of a customer and what you've just said there; it seems that there will be certain customers who will be worth more to a business than other customers?*

**RH:** Absolutely right. And that's why you *cannot* send the same communication piece to all customers, you *cannot* treat all customers the same when it comes to their buying and investing power. And I'm not saying that there has to be a drop in the overall service or communication levels to those who aren't as deeply invested in a business's products and services as those at the high end, it's just that there will probably be more access, privileges and benefits to those who buy more. And this all loops back to the key marketing strategy of communicating to past and current customers because it's through this constant communication where the lifetime value of a customer, rises, and also, there's more possibility of these customers rising through various ascension levels when it comes to investing in higher priced services and products.

**FRESH:** *It's been fascinating, Raja. I should remind readers that you've worked with us on our Fresh Restaurant business and you've helped open our eyes even wider to the real goldmine we're sitting on. Thanks a lot and look forward to more interviews with you soon.*

**RH:** Thanks Ross, it's been great speaking to you and I really hope your readers get some practical value from our interview.

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If you have any questions about this article and would like to contact Raja Hireker, he can be reached via the following email address: [raja.hireker@gmail.com](mailto:raja.hireker@gmail.com) You can also go to his website: [www.Simple-Marketing-Solutions.com](http://www.Simple-Marketing-Solutions.com)

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