

BUSINESS

Local restaurants find that deals bring customers back to the table



By Dana Hunsinger Posted: July 18, 2010

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No need for a cheap dinner of grilled cheese and tomato soup at home.

Consumers these days can eat out -- and get a tasty meal -- for a less than they used to.



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In an effort to shrug off the beat-down they've taken during the recession, restaurants are slicing prices, offering deals and adding <u>coupons</u>, all to lure in hungry consumers with a pent-up appetite to eat out again.

"We have people in here every day that had never heard about us and didn't even know where we were, but they came because of the <u>coupon</u>," said Brent Joseph, owner of King David Dogs, which last month offered customers an online coupon -- \$10 worth of food for \$5. "It's really generated traffic."

And there could be more traffic to come for restaurants, thanks to all the <u>good deals</u> and renewed hope that the economy is improving.

Twenty-five percent of Americans say they plan to eat out more in restaurants in the next three months than they did in the previous three months, according to a Market Force poll. That's up from just 5 percent of consumers who said that six months ago.

Not really much of a surprise when you can walk into Denny's and get biscuits and gravy with hash browns or an egg for \$2. Denny's introduced a \$2, \$4, \$6, \$8 menu during the recession. TGI Friday's is serving up

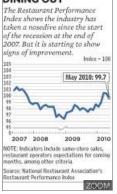


An online coupon allowed Geoffrey Aaron (right) to treat friend Mark Barker (left) to a lunch of King David Dogs at the restaurant on North Pennsylvania Street. Restaurants are finding that coupons and other discounts are luring back business lost during the recession. - Matt Kryger / The Star



The coupon has brought in customers who "had never heard about us," said King David Dogs owner Brent Joseph. - MATT KRYGER / The Star

DINING OUT





an endless lunch for \$6.99. And Chili's has rolled out a "3 for \$20" value menu -- which lets diners split an appetizer, choose two entrees, then share a dessert.

Geoffrey Aaron says the more deals, the better.

"I see more coupons all the time, and I try to use them as much as I can," said Aaron, a 25-year-old medical student. He treated a friend to King David Dogs using his coupon last week. "<u>Saving money</u> never hurts."

Restaurants know that's the sentiment of many consumers and are doing what they can to accommodate customers, said Annika Stensson, spokeswoman for the National Restaurant Association.

"It's been a common strategy for many restaurants to offer special-value deals during the economic downturn to attract consumers who have less <u>cash</u> on hand," she said.

Restaurant operators are optimistic the deals will work, after battling through six straight months of dismal sales. In May, 46 percent of restaurant operators reported a same-store sales decline, according to the association's Restaurant Performance Index. Forty-three percent of operators, however, say they expect to have higher sales in six months compared to the same period a year ago.

That could be due, in part, to their own strategic efforts, Stensson said.

"Many restaurants have ramped up marketing for the specials they already offered," she said. Others are adding specials, such as promotional new menu items, loyalty programs with rewards, buy-one-get-one-free and discounts for slower days and times of day.

Not a lot of people eat steak at 4 p.m., for example, but Ruth's Chris Steak House owner Larry Griggers offered the Primetime special in the midst of the recession last year.

Eat between 4 and 6 p.m., and the deal includes an entree, salad, two sides, dessert and wine, all for \$38.

"Everybody is kind of trying to dig out of the recession," said Griggers, who owns five Ruth's Chris locations, with two in Indianapolis.

And he seems to be digging out. For the year, sales are up 7.5 percent.

"Hey, if I'm up, that's good," he said.

Lyle Feigenbaum also is up this year at his Scholars Inn Bakehouse and Cafe and Wine Bar, both in Bloomington. And it very well could be all the deals.

At the Bakehouse, he created a VIP Club in 2009 to thank customers and offer them deals like a Euro sandwich for \$2, and \$1 coffee. At the restaurant, there are half-price martinis all summer.

"We always offer deals, but through the recession we have stepped that up," he said. "And our guests have really appreciated it."

Call Star reporter Dana Hunsinger at (317) 444-6012.

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» Same: 66 percent of consumers will eat out about the same number of times in the next three months, up from 44 percent six months ago.

Source: Market Force poll of more than 4,600 consumers



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