



Anthony

To Coupon or Not?

Story by Scott Anthony
Photos by Josh Keown

On the PizzaToday.com bulletin boards, April Murray, co-owner of Just Pizza in Gibsonville, North Carolina, recently asked this question: “How many of you actually utilize coupons or not? I am hearing requests from customers for coupons, but we offer pretty good specials that we change every three months or so. Any ideas?”

Like it or not, the pizza industry is coupon driven, and our uncertain economy coerces people to endeavor to save a buck. The consumer’s view of a coupon is that it entitles him to certain benefits, such as cash or a gift. Operator Michael Shepherd of Ohio-based Michael Angelo’s Pizza presents a differing view of coupons: “I think they are often a crutch that our industry leans on rather than using our image, brand or quality to bring people in.” Murray concurs. How do pizzaioli aspiring for quality product and excellent service come to terms with consumers who have been conditioned by the Big 3 to expect a deal or coupon and never pay menu price?

Junior Freitas, owner of Stuft Pizza in Santa Clara, California, comments:

“A coupon to me is a means to get somebody into my store or back to my store. I try to educate my customers of the benefits of value over price.” Steve Cocca, President of the four-unit Cocca’s Pizza in Youngstown, Ohio, says: “Coupons raise ticket sales and help us get new customers. Most people stick them on their refrigerator so the third purpose is that it can act as a billboard.”

Savvy operators realize the power of coupons, but also know they can be a double-edged sword. Shepherd adamantly states that “deeply discounted coupons by the Big 3 have done tremendous damage to the industry that will take many years to repair. They are reducing our industry to little more than fast food status.” Murray confronts this daily: “We try very hard to instill the idea that we simply give them more for the dollars they choose to spend,” she says.

Murray, Shepherd, Freitas and Cocca all offer specials and featured items. Murray learned that she had to present the special to the customer in the way they wanted to see it. She simply put a box or dashed line around featured menu items, and suddenly the response to these items soared and customers quit asking for coupons.

2010 DEAL

Big Daddy Pepperoni Pizza
PLUS 1 Dozen Buffalo Wings
PLUS FREE 2 Liter Pepsi®

20¹⁰



She spoke the language of the consumer. Cocca places the boxed items like his “Family Pack” right on his menu. “I really think people are more cautious about spending and go right to the coupons,” he says. “It does not need to be a big discount. They’re only saving 97 cents, but this works great for us.” Combos or a free item of high-perceived value is a great way to pull off this coupon-balancing act.

Meanwhile, Shepherd asserts that “my best coupon is no coupon.” He still uses means of high ROI like Facebook, e-mail and door hanging to meet the expectations of a thrifty consumer with multiple item offerings. Freitas sees similar results offering printable coupons on his Web site. His free cheesy bread with a large pizza purchase has a perceived value of \$6.95, while the actual food cost is merely \$1.10.

Successful operators understand the industry and their target market, and they adapt to it. The semantics of “coupon” need not be a challenge. ❖

Scott Anthony is a Fox’s Pizza Den franchisee in Punxsutawney, Pennsylvania. He is a monthly contributor to *Pizza Today*.