

## Using Daily Deal Sites to Market Your Bar or Restaurant

By Rieva Lesonsky



According to a forecast earlier this year by BIA/Kelsey, consumer spending on deal-a-day offers is set to reach \$1.25 billion in the U.S. this year. The media research company also expects revenues for daily deal sites like Groupon and Living Social to reach \$3.93 billion by the end of 2015. The hot online marketing trend proves consumers just can't pass up a great deal. Not only are they snatching up daily deals, they want to tell their friends about it, too!

For bar and restaurant owners, daily deal sites are a natural marketing tool. Customers love to tell each other about cool bars and restaurants, and they also love to share bargains. Daily deal sites combine both features, and give you a way to reach a whole new audience of consumers who may never have tried your establishment before.

How do you get your business spotlighted on such sites as Groupon, LivingSocial, FreshGuide and more? If you haven't already subscribed to a deal-a-day service, you should join all the sites so you can see what kinds of businesses belong and what kinds of deals they offer. To keep a variety of businesses in front of consumers' eyes, the deal sites vary the types of businesses spotlighted. Be aware most deal sites require steep discounts; LivingSocial, for example, requires that companies offer a minimum of 50 percent off the current price of a service or product.

To entice customers, each deal includes witty ad copy, but no worries about writing it yourself—the deal companies will help write it. The deal company does not take any upfront fees and makes its money by taking a cut of what you sell (which may be 50 percent or more of the already-discounted sale price). Since the percentage that deal sites take can be hefty, you'll need to run the numbers to see if the benefit of attracting new customers to your bar or restaurant outweighs the negatives of a smaller-than-usual profit margin.

Once someone buys your business's deal, the deal company sends you a check (Groupon sends the proceeds in three installments.) That means you don't have to wait for the customer to actually come in to your establishment to get paid.

One challenge to be aware of with deal sites—especially for bars and restaurants—is handling the potentially heavy influx of customers who buy your deal. Once customers buy the deal, many will want to use their voucher as soon as they can, which can make for crowds at your bar or restaurant and long waits. You need to make sure first-time customers have a good experience so they'll become regulars and tell their friends about your establishment. If you're worried about handling the customer load, put a cap on how many vouchers can be sold, or extend the deadline for how long customers can use the voucher.

Deal site customers have desirable demographics. Groupon users are young (68 percent are between 18 and 34 years old), single (49 percent), smart (80 percent have their bachelor or graduate degree) and primarily female (77 percent). LivingSocial's demographics are similar, although their users are slightly older. Also explore local or regional deal sites that may exist in your area. For more information on how to get featured, visit the company websites and fill out the form telling them you want to be featured.

Your SCORE mentor can help you assess how best to incorporate daily deal sites into your bar or restaurant's marketing strategy.

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