

Let's make a deal: Culver's takes advantage of cheaper ad buys

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PRAIRIE DU SAC, Wis. (March 02, 2009) —**Culver's** is ready for its close-up, and the quick-service chain announced its arrival late last month during the red-carpet festivities of the Academy Awards with its first-ever national TV commercial.



Culver's, a quick-service chain with 395 units, mostly located throughout the Midwest, debuted its first national TV ad on E!'s preshow Oscar coverage.

The 60-second spot debuted during the E! channel's preshow coverage of the Oscars. For the next few months, 30-second commercials will echo the campaign's theme in the many spot markets throughout the Midwest where most of Prairie du Sac-based Culver's 395 units are located.

Culver's made the leap into the national TV spotlight at a time when a troubled economy has helped drive media-buying prices down. For instance, **Panera Bread** chairman and chief executive Ron Shaich told investors in a recent conference call that the bakery-cafe company would capitalize on lower media costs to help maintain its sales momentum.

Still, the message must be relevant to new and existing customers to justify the expense, no matter the discount, said Matt Kolbert, director of business development for California-based marketing firm the ASTONE Agency.

"Everyone's more willing to make a deal now," Kolbert said. "But that doesn't always mean it's the right deal. Restaurants need to understand which advertising option will have the most impact."

For Culver's, however, the deal was right. Chris Contino, Culver's vice president of marketing, called the Oscars "the Super Bowl for women," making it the ideal event to reach the brand's core audience, which skews toward women and families. The spots targeted employees and managers as much as existing customers, he said.

"Externally, this is to let the consumer know that Culver's has a lot of confidence in what we're doing and how we treat our customers as honored guests," Contino said. "We're not going to participate in this economic downturn."

Internally, he added, the national spot is meant to boost morale among franchisees, some of whom don't get to see TV spots in their home markets, such as Houston, which has only two Culver's stores. From Feb. 23 on, the ads will continue only in spot markets.

"From a media-buying standpoint, the return on investment is not what we're looking for," Contino said, adding that the more localized follow-up ads will form a critical piece of the campaign. He said that while Culver's doesn't have a presence in expensive coastal media markets like New York and Los Angeles, it does have restaurants in about a third of the more than 150 media markets in the country that will feature the 30-second ads.

MARC USA created the ads and did the media buying. MARC has been the agency of record for Culver's \$14 million ad budget for the past two years.

The spots humorously depict a slightly paranoid skeptic who is put off by the overly nice service he receives at a Culver's restaurant. Because he thinks a cashier saying that it was "her pleasure" to serve him is a vicious lie, he spends the rest of the commercial spinning a conspiracy theory about how Culver's friendly hospitality is a front for some nefarious ulterior plot.



The commercials' focus on customer service is a continuation of an advertising theme the chain used last year, "Culverizing" Americans with friendly service.

New television spots for Culver's emphasize its customer service by humorously featuring a paranoid customer who theorizes that the chain's friendly service must be a cover for a nefarious conspiracy.

"Anybody could put a picture of food on the TV," Contino said. "But what they can't show is the great service we have. The way we differentiate ourselves in QSR is that we provide hospitality nobody else can."

That makes a difference in a recession, as guests tend to visit only their top two or three favorite restaurants and pull back everywhere else, Kolbert said.

"In the current economy," Kolbert said, "guests do not want to make a mistake. People are sticking to things they know and like. In order for restaurants to make sure they're one of the audience's top two or three choices, they really have to develop a positioning that's uniquely relevant to them."

"So tapping into the service aspect of Culver's has huge ramifications, and hopefully it allows them to compete on something other than price."

Though Culver's will explore social-media marketing, Contino said, the brand still plans to make its reputation for customer service its calling card.

"TV works for our brand and the customer we're intent to capture, but it's not our No. 1 priority," Contino said. "That top priority is the restaurant itself. It goes back to the service and the food. If we don't get that right, it doesn't matter what we put on TV."